International Labour Conference
82nd Session 1995

Report II

Draft programme and budget 1996-97 and other financial questions

International Labour Office Geneva

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Preface

1. This report deals with the draft Programme and Budget for 1996-97 as examined by the Governing Body at its 262nd Session (March-April 1995).

2. The full material relating to the draft 1996-97 Programme and Budget appears on pages 1-10. This material should be read in conjunction with the Director-General's original Programme and Budget proposals for 1996-97, as indicated in paragraph 2 on page 1.

3. The Governing Body's recommendations concerning the scales of assessment of contributions to the budget for the 1996-97 financial period, the review of the Financial Regulations governing cash surpluses and deficits, the financial implications of holding a Maritime Session of the International Labour Conference and the composition of the Administrative Tribunal of the International Labour Organization, together with the related draft Conference resolutions, are set out on pages 11, 12, 13 and 14 respectively.

Consideration of the Director-General's Programme and Budget proposals for 1996-97 by the Programme, Financial and Administrative Committee and the Governing Body

1. The Director-General's original Programme and Budget proposals for 1996-97 were submitted to the Governing Body at its 262nd Session (March-April 1995) in document GB.262/PFA/9. That document is being reissued as a supplement to the present report and circulated to those recipients of the report to whom the proposals in question have not already been sent.

2. The Director-General's original proposals were considered in the first instance by the Programme, Financial and Administrative Committee of the Governing Body. The Committee's discussion of the proposals was recorded in its third report to the Governing Body, which is reproduced in Annex 1 to the present report.[1] The Governing Body on 6 April 1995 accepted the recommendations of the Committee and decided to propose to the International Labour Conference a resolution related to the adoption of the programme and budget for the 65th financial period, ending 31 December 1997, and for the allocation of expenses among members in that period. The text of the proposed resolution is given below in paragraph 9.

3. It will be observed that the proposed resolution is incomplete as regards the final budget level. The Governing Body endorsed a provisional programme level of $500,237,000 estimated at the 1994-95 budget exchange rate of 1.45 Swiss francs to the US dollar, as detailed in table D — "Provisional programme level for 1996-97 by major programme" — set out on page 9 below. The final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessments will be determined by the Conference, on the recommendation of the Finance Committee of Government Representatives, at its forthcoming session.

4. The Director-General's original proposed expenditure budget for 1996-97 (Parts I to III) by major programme is set out in table A on page 3 below.

5. The final programme and budget proposals recommended by the Governing Body are being placed before the Conference in the form of the Director-General's original proposals (which, as indicated in paragraph 1 above, are being circulated where necessary as a supplement to the present report) together with the adjustments made to the proposals by the Programme, Financial and Administrative Committee and endorsed by the Governing Body, which are set out in tables B, C, D, and E on pages 5 to 10 below.

[1] See blue title page. This report for the Conference was prepared immediately after the 262nd Session of the Governing Body so as to reach member States as early as possible in accordance with article 6 of the Financial Regulations. The discussion of the Programme, Financial and Administrative Committee's third report in the Governing Body will be reflected in the minutes of the 262nd Session of the Governing Body, which were not available at the time of going to press.

Comparison of the draft Programme and Budget for 1996-97 with the Programme and Budget for 1994-95

6. To permit identification of changes in programme levels — as distinct from changes due to cost increases, inflation and currency fluctuations — the original proposals for 1996-97 shown in table A (entitled "Director-General's original proposed expenditure budget for 1996-97 (Parts I to III) by major programme") are set out in two separate columns (the centre and right-hand columns of figures). The centre column shows the Director-General's original proposals costed in terms of constant 1994-95 dollars, i.e. on the basis of the cost levels and exchange rates used in preparing the 1994-95 Programme and Budget. The figures in the centre column can thus be compared directly with those in the left-hand column, headed "1994-95 budget", so that programme increases and decreases in real terms can be readily identified. The figures in the right-hand column represent the original 1996-97 budget proposals; they are costed on the basis of estimated 1996-97 cost levels and the 1994-95 budget exchange rate of 1.45 Swiss francs to 1 US dollar. Table A is found on page 3 below.

7. A comparison of the main elements for the provisional 1996-97 budget with those of the budget adopted for 1994-95 is provided in table C — "Provisional programme level for 1996-97 as endorsed by the Governing Body and analysis of increases and decreases by major programme" — on page 7.

Recommendations of the Governing Body to the Conference at its 82nd Session (1995)

8. The Governing Body recommended to the forthcoming session of the Conference that the final amount of the 1996-97 budget be based on the endorsed provisional programme level of US$500,237,000 estimated at the 1994-95 budget exchange rate of 1.45 Swiss francs to the US dollar, to be revalued at the rate of exchange set by the Conference. The provisional programme level for 1996-97 and summary of Parts I to III as endorsed by the Governing Body, together with a comparison of those Parts with the equivalent Parts of the 1994-95 Programme and Budget are set out in table E on page 10.

9. The Governing Body also recommends that the text of the related resolution to be adopted by the Conference should be as follows:

The General Conference of the International Labour Organization,

In virtue of the Financial Regulations, passes for the 65th financial period, ending 31 December 1997, the budget of expenditure for the International Labour Organization amounting to US$..... and the budget of income amounting to US$....., which, at the budget rate of exchange of Swiss francs .... to the US dollar, amounts to Swiss francs ....., and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

Table A
Director-General's original proposed expenditure budget for 1996-97 (Parts I to III) by major programme
(in US dollars)

CHAPTER	ITEM	TITLE	1994-95 BUDGET	1996-97 ESTIMATES (IN CONSTANT 1994-95 DOLLARS)	1996-97 ESTIMATES (RECOSTED)
		PART I. ORDINARY BUDGET			
A		POLICY MAKING ORGANS			
	10	INTERNATIONAL LABOUR CONFERENCE	12,664,992	11,855,404	12,784,370
	20	GOVERNING BODY	2,367,153	2,277,153	2,213,378
	30	MAJOR REGIONAL MEETINGS	2,059,163	2,634,176	2,869,475
	30	TOTAL	17,091,308	16,766,733	17,867,223
B		GENERAL MANAGEMENT			
	40	GENERAL MANAGEMENT	8,031,252	7,474,252	8,336,337
C		TECHNICAL PROGRAMMES			
	50	INTERNATIONAL LABOUR STANDARDS AND HUMAN RIGHTS	18,566,566	19,091,193	20,291,209
	60	EMPLOYMENT	9,597,243	13,300,287	14,179,960
	65	ENTERPRISE AND COOPERATIVE DEVELOPMENT	6,574,122	9,794,431	10,462,115
	70	TRAINING	9,109,898	9,326,064	9,935,157
	75	TURIN CENTRE	4,785,000	4,785,000	5,273,000
	80	INDUSTRIAL RELATIONS AND LABOUR ADMINISTRATION	9,430,100	10,560,546	11,262,022
	85	MULTINATIONAL ENTERPRISES AND SOCIAL POLICY	772,947	772,947	821,875
	90	WORKING CONDITIONS AND ENVIRONMENT	15,368,615	16,540,768	17,673,009
	100	SECTORAL ACTIVITIES	14,068,789	14,068,789	14,966,939
	110	SOCIAL SECURITY	6,120,506	6,686,894	7,125,570
	115	INTERNATIONAL SOCIAL SECURITY ASSOCIATION	594,420	594,420	626,000
	120	STATISTICS	7,048,275	7,060,589	7,586,880
	125	DEVELOPMENT AND TECHNICAL COOPERATION	7,316,449	6,745,722	7,216,199
	130	INTERNATIONAL INSTITUTE FOR LABOUR STUDIES	4,684,330	4,774,330	5,109,000
	140	EQUALITY FOR WOMEN	601,695	601,695	647,265
	145	PROGRAMME FLEXIBILITY RESERVE	9,032,529	1,186,400	1,259,936
	145	TOTAL	125,673,452	125,857,965	134,437,056
D		SERVICE AND SUPPORT ACTIVITIES			
	160	PERSONNEL	14,626,825	14,626,825	15,746,372
	170	FINANCIAL SERVICES	11,341,067	11,838,067	12,800,975
	175	INTERNAL ADMINISTRATION	36,351,232	35,029,793	38,086,240
	180	EDITORIAL AND DOCUMENT SERVICES	34,367,741	34,683,741	37,671,042
	185	COMPUTER SERVICES	11,926,358	11,926,358	12,792,320
	190	LIBRARY AND DOCUMENTATION	7,390,155	7,390,155	7,944,952
	200	PROGRAMMING AND MANAGEMENT	5,153,916	5,124,646	5,441,742
	210	LEGAL SERVICES	2,486,500	2,586,500	2,752,344
	210	TOTAL	124,243,794	123,206,085	133,245,997
E		RELATIONS			
	220	RELATIONS AND MEETINGS	26,404,460	25,119,419	26,673,931
	225	EMPLOYERS' ACTIVITIES	4,821,075	4,882,325	5,250,730
	230	WORKERS' ACTIVITIES	13,677,684	13,738,086	14,804,240
	235	PUBLIC INFORMATION	4,946,250	4,831,090	5,178,693
	240	INTERNATIONAL RELATIONS	3,690,414	3,690,414	3,951,880
	240	TOTAL	53,539,883	52,261,344	55,859,474
F		REGIONAL SERVICES			
	245	ACTIVE PARTNERSHIP	557,540	3,175,862	3,388,542
	250	FIELD PROGRAMMES IN AFRICA	36,810,215	37,285,233	38,633,556
	260	FIELD PROGRAMMES IN THE AMERICAS	32,816,918	32,177,810	35,046,906
	265	FIELD PROGRAMMES IN ARAB STATES	6,936,570	6,936,570	7,560,106
	270	FIELD PROGRAMMES IN ASIA AND THE PACIFIC	32,943,176	33,056,544	36,139,436
	280	FIELD PROGRAMMES IN EUROPE	10,420,742	10,767,302	11,416,200
	280	TOTAL	120,485,161	123,399,321	132,184,746

CHAPTER	ITEM	TITLE	1994-95 BUDGET	1996-97 ESTIMATES (IN CONSTANT 1994-95 DOLLARS)	1996-97 ESTIMATES (RECOSTED)
G		OTHER BUDGETARY PROVISIONS			
	290	OTHER BUDGETARY PROVISIONS	20,389,682	20,488,832	21,806,706
	290	SUB TOTAL	469,454,532	469,454,532	503,437,599
		ADJUSTMENT FOR STAFF TURNOVER	(3,819,532)	(3,819,532)	(4,072,599)
		TOTAL OF PART I	465,635,000	465,635,000	499,365,000
		PART II UNFORESEEN EXPENDITURE			
	295	UNFORESEEN EXPENDITURE	875,000	875,000	875,000
		PART III WORKING CAPITAL FUND			
	296	WORKING CAPITAL FUND			
	296	TOTAL (PARTS I-III)	466,510,000	466,510,000	500,240,000

Table B
Adjustments to Part I of the Director-General's
Programme and Budget proposals for 1996-97
(The US dollar amounts for proposed reductions are shown in brackets)

Prog. No.	Para. No. in the proposals	Activity	P w/mths	GS w/mths	Non-staff costs	Total
		International labour standards and human rights				
50.3	New	Add 1/00 P work-year for freedom of association	12	–	–	139 176
		Employment				
60.4	60.52	Add one day to the duration of the Tripartite Meeting of Experts on Future ILO Activities in the Field of Migration (5 days instead of 4). Includes provision for additional interpretation	–	–	15 000	15 000
		Enterprise and cooperative development				
65.1	65.5	Add provision for the costs of preparing and implementing the Enterprise Forum	–	–	100 000	100 000
65.2	65.9	Postpone proposed tripartite meeting on enterprise restructuring and privatization	–	–	(111 400)	(111 400)
		Industrial relations and labour administration				
80.2	80.27	Delete proposed international symposium on minimum wage fixing	(6)	–	(151 000)	(220 588)
		Multinational enterprises and social policy				
85	85.3	Add one Professional post (2/00 P work-years)	24	–	–	278 352
		Working conditions and environment				
90.2	90.34	Postpone proposed Meeting of Experts on Ambient Factors at the Workplace	–	–	(122 200)	(122 200)
		Equality for women				
140	140.3-4	Add short-term credits to ensure adequate follow-up on the Beijing Conference	–	–	100 000	100 000
		Programme Flexibility Reserve				
145	145.1-3	Reduce level of the Reserve to $1.0 million	–	–	(186 490)	(186 490)
		Editorial and document services				
180.3	180.13	Reduce resources for the periodical *World Labour Report*, assuming only one issue per biennium	(24)	–	(102 371)	(380 723)

Prog. No.	Para. No. in the proposals	Activity	P w/mths	GS w/mths	Non-staff costs	Total
		Relations and meetings				
220.2 and .3	220.6 and 220.8	Reduce provision for interpretation services because of postponed and cancelled meetings and reduce translation costs for *World Labour Report*	—	—	(137 000)	(137 000)
		Field programmes in Asia and the Pacific				
270.2	270.40	Add ILO technical support to member States which have recently joined the Asian region	24	—	70 000	348 352
		Field programmes in Europe				
280.2	New	Add ILO technical support to Central Asian and Transcaucasian member States	12	—	36 000	175 176
		Net change in the overall level of Part I of the budget for the biennium 1996-97				(2 345)

Table C
Provisional programme level for 1996-97 as endorsed by the Governing Body and analysis of increases and decreases by major programme

APPROPRIATION LINE	(A) 1994-95	(B) 1996-97 ESTIMATES IN CONSTANT 1994-95 DOLLARS	(C) PROGRAMME INCREASES (DECREASES)		(D) COST INCREASES (DECREASES)		(E) 1996-97	(F) % OF TOTAL BUDGET
	$	$	$	%	$	%	$	%
10 INTERNATIONAL LABOUR CONFERENCE	12,664,992	11,855,404	(809,588)	(6.39)	928,966	7.84	12,784,370	2.56
20 GOVERNING BODY	2,367,153	2,277,153	(90,000)	(3.80)	(63,775)	(2.80)	2,213,378	.44
30 MAJOR REGIONAL MEETINGS	2,059,163	2,634,176	575,013	27.92	235,299	8.93	2,869,475	.57
40 GENERAL MANAGEMENT	8,031,252	7,474,252	(557,000)	(6.94)	562,085	7.52	8,036,337	1.61
50 INTERNATIONAL LABOUR STANDARDS AND HUMAN RIGHTS	18,568,566	19,190,369	621,803	3.35	1,247,360	6.50	20,437,729	4.09
60 EMPLOYMENT	9,597,243	13,308,287	3,711,044	38.67	880,173	6.61	14,188,460	2.84
65 ENTERPRISE AND COOPERATIVE DEVELOPMENT	8,574,122	9,783,031	1,208,909	14.10	668,084	6.83	10,451,115	2.09
70 TRAINING	9,109,866	9,326,064	216,198	2.37	609,093	6.53	9,935,157	1.99
75 TURIN CENTRE	4,785,000	4,785,000	-	-	488,000	10.20	5,273,000	1.05
80 INDUSTRIAL RELATIONS AND LABOUR ADMINISTRATION	9,430,100	10,345,958	915,858	9.71	682,694	6.60	11,028,652	2.20
85 MULTINATIONAL ENTERPRISES AND SOCIAL POLICY	772,947	1,051,299	278,352	36.01	63,616	6.05	1,114,915	.22
90 WORKING CONDITIONS AND ENVIRONMENT	15,368,615	16,418,568	1,049,953	6.83	1,125,841	6.86	17,544,409	3.51
100 SECTORAL ACTIVITIES	14,068,789	14,068,789	-	-	898,150	6.38	14,966,939	2.99
110 SOCIAL SECURITY	6,120,506	6,688,694	568,188	9.28	436,876	6.53	7,125,570	1.42
115 INTERNATIONAL SOCIAL SECURITY ASSOCIATION	594,420	594,420	-	-	31,580	5.31	626,000	.13
120 STATISTICS	7,048,275	7,060,589	12,314	.17	526,291	7.45	7,586,880	1.52
125 DEVELOPMENT AND TECHNICAL COOPERATION	7,316,449	6,745,722	(570,727)	(7.80)	470,477	6.97	7,216,199	1.44
130 INTERNATIONAL INSTITUTE FOR LABOUR STUDIES	4,684,330	4,774,330	90,000	1.92	334,670	7.01	5,109,000	1.02
140 EQUALITY FOR WOMEN	601,695	701,695	100,000	16.62	53,570	7.63	755,265	.15
145 PROGRAMME FLEXIBILITY RESERVE	9,032,529	1,000,000	(8,032,529)	(88.93)	62,256	6.23	1,062,256	.21
160 PERSONNEL	14,626,825	14,626,825	-	-	1,119,547	7.65	15,746,372	3.15
170 FINANCIAL SERVICES	11,941,067	11,838,067	(103,000)	(.86)	962,908	8.13	12,800,975	2.56
175 INTERNAL ADMINISTRATION	36,351,232	35,029,793	(1,321,439)	(3.64)	3,066,447	8.75	38,096,240	7.62
180 EDITORIAL AND DOCUMENT SERVICES	34,367,741	34,303,018	(64,723)	(.19)	2,966,414	8.65	37,269,432	7.45
185 COMPUTER SERVICES	11,926,358	11,926,358	-	-	865,962	7.26	12,792,320	2.56
190 LIBRARY AND DOCUMENTATION	7,390,155	7,390,155	-	-	604,807	8.18	7,994,962	1.60
200 PROGRAMMING AND MANAGEMENT	5,153,916	5,124,646	(29,270)	(.57)	317,096	6.19	5,441,742	1.09
210 LEGAL SERVICES	2,486,500	2,586,500	100,000	4.02	165,844	6.41	2,752,344	.55
220 RELATIONS AND MEETINGS	26,404,460	24,989,419	(1,415,041)	(5.36)	1,546,712	6.19	26,536,131	5.30
225 EMPLOYERS' ACTIVITIES	4,821,075	4,882,325	61,250	1.27	368,405	7.55	5,250,730	1.05
230 WORKERS' ACTIVITIES	13,677,684	13,738,096	60,412	.44	1,066,144	7.76	14,804,240	2.96
235 PUBLIC INFORMATION	4,946,250	4,831,090	(115,160)	(2.33)	347,603	7.20	5,178,693	1.04
240 INTERNATIONAL RELATIONS	3,690,414	3,690,414	-	-	261,466	7.09	3,951,880	.79
245 ACTIVE PARTNERSHIP	557,540	3,175,862	2,618,322	469.62	212,680	6.70	3,388,542	.68
250 FIELD PROGRAMMES IN AFRICA	36,810,215	37,285,233	475,018	1.29	1,348,323	3.62	38,633,556	7.72
260 FIELD PROGRAMMES IN THE AMERICAS	32,816,918	32,177,810	(639,108)	(1.95)	2,869,096	8.92	35,046,906	7.01

APPROPRIATION LINE	(A) 1994-95	(B) 1996-97 ESTIMATES IN CONSTANT 1994-95 DOLLARS	(C) PROGRAMME INCREASES (DECREASES)		(D) COST INCREASES (DECREASES)		(E) 1996-97	(F) % OF TOTAL BUDGET
	$	$	$	%	$	%	$	%
265 FIELD PROGRAMMES IN ARAB STATES	6,936,570	6,936,570	-	-	623,536	8.99	7,560,106	1.51
270 FIELD PROGRAMMES IN ASIA AND THE PACIFIC	32,943,176	33,404,896	461,720	1.40	3,101,780	9.29	36,506,676	7.30
280 FIELD PROGRAMMES IN EUROPE	10,420,742	10,942,478	521,736	5.01	658,402	6.02	11,600,880	2.32
290 OTHER BUDGETARY PROVISIONS	20,389,682	20,488,832	99,150	.49	1,267,934	6.19	21,756,766	4.35
ADJUSTMENT FOR STAFF TURNOVER	(3,819,532)	(3,819,532)	-	-	(253,067)	6.63	(4,072,599)	(.81)
TOTAL PROGRAMMES OF ACTIVITY	465,635,000	465,632,655	(2,345)	-	33,729,345	7.24	499,362,000	99.83
FINANCIAL FACTORS								
295 UNFORESEEN EXPENDITURE	875,000	875,000	-	-	-	-	875,000	.17
296 WORKING CAPITAL FUND	-	-	-	-	-	-	-	-
TOTAL	466,510,000	466,507,655	(2,345)	-	33,729,345	7.23	500,237,000	100.00

Table D
Provisional programme level for 1996-97 by major programme, as endorsed by the Governing Body
(in US dollars)

CHAPTER	ITEM	TITLE	1994-95 BUDGET	1996-97 ESTIMATES (IN CONSTANT 1994-95 DOLLARS)	1996-97 ESTIMATES (RECOSTED)
		PART I. ORDINARY BUDGET			
A		POLICY MAKING ORGANS:			
	10	INTERNATIONAL LABOUR CONFERENCE	12,664,992	11,855,404	12,784,370
	20	GOVERNING BODY	2,367,153	2,277,153	2,213,378
	30	MAJOR REGIONAL MEETINGS	2,059,163	2,634,176	2,869,475
		TOTAL	17,091,308	16,766,733	17,867,223
B		GENERAL MANAGEMENT:			
	40	GENERAL MANAGEMENT	8,031,252	7,474,252	8,036,337
C		TECHNICAL PROGRAMMES:			
	50	INTERNATIONAL LABOUR STANDARDS AND HUMAN RIGHTS	18,568,566	19,190,369	20,437,729
	60	EMPLOYMENT	9,597,243	13,308,287	14,188,460
	65	ENTERPRISE AND COOPERATIVE DEVELOPMENT	8,574,122	9,783,031	10,451,115
	70	TRAINING	9,109,866	9,326,064	9,935,109
	75	TURIN CENTRE	4,765,000	4,785,000	5,773,000
	80	INDUSTRIAL RELATIONS AND LABOUR ADMINISTRATION	9,430,100	10,345,958	11,028,652
	85	MULTINATIONAL ENTERPRISES AND SOCIAL POLICY	952,947	1,051,749	1,114,915
	90	WORKING CONDITIONS AND ENVIRONMENT	15,368,615	16,418,568	17,544,409
	100	SECTORAL ACTIVITIES	14,068,789	14,068,769	14,966,939
	110	SOCIAL SECURITY	6,120,506	6,668,694	7,125,570
	115	INTERNATIONAL SOCIAL SECURITY ASSOCIATION	594,420	594,420	626,000
	120	STATISTICS	7,068,275	7,060,589	7,586,886
	125	DEVELOPMENT AND TECHNICAL COOPERATION	7,316,449	6,745,722	7,216,199
	130	INTERNATIONAL INSTITUTE FOR LABOUR STUDIES	4,684,330	4,774,330	5,109,000
	140	EQUALITY FOR WOMEN	601,695	701,695	755,265
	145	PROGRAMME FLEXIBILITY RESERVE	9,032,529	1,000,000	1,062,256
		TOTAL	125,673,452	125,842,815	134,421,546
D		SERVICE AND SUPPORT ACTIVITIES:			
	160	PERSONNEL	14,626,825	14,626,825	15,746,372
	170	FINANCIAL SERVICES	11,941,067	11,838,067	12,800,975
	175	INTERNAL ADMINISTRATION	36,351,232	35,029,793	38,096,240
	180	EDITORIAL AND DOCUMENT SERVICES	34,367,741	34,303,018	37,269,432
	185	COMPUTER SERVICES	11,926,358	11,926,358	12,792,320
	190	LIBRARY AND DOCUMENTATION	7,390,155	7,390,155	7,994,962
	200	PROGRAMMING AND MANAGEMENT	5,153,916	5,125,646	5,441,742
	210	LEGAL SERVICES	2,486,500	2,586,500	2,752,344
		TOTAL	124,243,794	122,825,362	132,894,387
E		RELATIONS:			
	220	RELATIONS AND MEETINGS	26,404,460	24,989,419	26,536,131
	225	EMPLOYERS' ACTIVITIES	4,821,035	4,882,325	5,250,730
	230	WORKERS' ACTIVITIES	13,677,684	13,738,096	14,804,240
	235	PUBLIC INFORMATION	4,946,250	4,831,090	5,178,693
	240	INTERNATIONAL RELATIONS	3,690,414	3,690,414	3,951,880
		TOTAL	53,539,883	52,131,344	55,721,674
F		REGIONAL SERVICES:			
	245	ACTIVE PARTNERSHIP	557,540	3,175,862	3,388,542
	250	FIELD PROGRAMMES IN AFRICA	36,810,215	37,285,233	38,633,556
	260	FIELD PROGRAMMES IN THE AMERICAS	32,816,918	32,177,810	35,046,906
	265	FIELD PROGRAMMES IN ARAB STATES	6,936,570	6,936,570	7,560,106
	270	FIELD PROGRAMMES IN ASIA AND THE PACIFIC	33,943,176	33,404,896	36,506,676
	280	FIELD PROGRAMMES IN EUROPE	10,420,742	10,942,478	11,600,880
		TOTAL	120,485,161	123,922,849	132,736,666
G		OTHER BUDGETARY PROVISIONS			
	290	OTHER BUDGETARY PROVISIONS	20,389,682	20,488,832	21,756,766
		SUB TOTAL	469,454,532	469,452,187	503,434,599
		ADJUSTMENT FOR STAFF TURNOVER	(3,819,532)	(3,819,532)	(4,072,599)
		TOTAL OF PART I	465,635,000	465,632,655	499,362,000
		PART II. UNFORESEEN EXPENDITURE			
	295	UNFORESEEN EXPENDITURE	875,000	875,000	875,000
		PART III. WORKING CAPITAL FUND			
	296	WORKING CAPITAL FUND	-	-	-
		TOTAL (PARTS I-III)	466,510,000	466,507,655	500,237,000

Table E
Provisional programme level for 1996-97 and summary of Parts I to III, as endorsed by the Governing Body

			1996-97 provisional level $
PART I	**ORDINARY BUDGET**		
	Initial proposals in constant dollars (at Sw.frs.1.45 to US$1)		465 635 000
	Net programme adjustments as per Appendix I		(2 345)
			465 632 655
	Initial cost increases	33 730 000	
	Adjustments due to programme changes	(655)	33 729 345
	NET PART I		499 362 000
PART II	**UNFORESEEN EXPENDITURE**		875 000
PART III	**WORKING CAPITAL FUND**		–
	1996-97 PROVISIONAL PROGRAMME LEVEL		500 237 000

COMPARISON WITH 1994-95 PROGRAMME AND BUDGET

		1994-95 Budget $	1996-97 Provisional level $	Increase (decrease) compared with 1994-95 $
PART I	Programmes of activity	465 635 000	465 632 655	(2 345)
	Cost increases		33 729 345	33 729 345
PART II	Unforeseen expenditure	875 000	875 000	–
PART III	Working Capital Fund	–	–	–
	TOTAL BUDGET	466 510 000	500 237 000	33 727 000

Other financial and administrative questions

Scales of assessment of contributions to the budget for the 1996-97 biennium

1. At its 262nd Session (March-April 1995), the Governing Body decided, on the recommendation of the Government members of the Programme, Financial and Administrative Committee, to propose to the Conference at its 82nd Session (1995) that it adopt the draft scales of assessment for 1996 and 1997 as set out in column 4 of Appendices A and B to the fourth report of the Programme, Financial and Administrative Committee (GB.262/8/4), which is reproduced as Annex 2 to this report.

2. It will be for the Finance Committee of Government Representatives to consider the proposals put forward by the Governing Body concerning the draft scales of assessment for 1996 and 1997 and to make appropriate proposals to the Conference.

Review of the Financial Regulations governing cash surpluses and deficits

1. At its 259th (March 1994) and 261st (November 1994) Sessions the Governing Body considered proposals put forward by its Programme, Financial and Administrative Committee regarding the treatment of future cash surpluses and deficits with a view to introducing greater flexibility in the relevant Financial Regulations. In recent biennia, the Governing Body and the Conference had authorized the waiver or partial waiver of articles 18 and 21.2 of the Financial Regulations in order to deal in a practical manner with the cash surpluses and deficits that had arisen.

2. At its 261st Session (November 1994), the Governing Body considered a paper[1] which proposed that article 21.2 of the Financial Regulations be the subject of a derogation to allow for the introduction, on a trial basis, of a system whereby a withdrawal from the Working Capital Fund to finance a cash deficit directly attributable to income shortfalls is reimbursed in the following biennium or biennia from arrears of contributions received. Details of the discussion of this paper are set out in Annex 3(b) to this report (extract from the first report of the Programme, Financial and Administrative Committee, paragraphs 19 to 51). During these discussions, a request was made for an opinion to be obtained from the External Auditor on the proposals put forward by the Programme, Financial and Administrative Committee. The External Auditor's views and the Office's comments thereon are reproduced as Annex 3(c) to this report.

3. Following the discussions referred to in paragraph 2 above, and in view of the practical difficulties which have arisen by the non-application of the provisions of the relevant Financial Regulations, the Governing Body decided to propose to the International Labour Conference at its 82nd Session (1995) that it adopt a resolution in the following terms:

The General Conference of the International Labour Organization,

Noting the practical difficulties that have arisen in recent biennia by the non-application of the provisions of articles 18 and 21.2 of the Financial Regulations;

Decides, on a trial basis for the 1994-95, 1996-97 and 1998-99 financial periods only, that — notwithstanding the aforementioned articles — sums withdrawn from the Working Capital Fund to finance budgetary expenditure pending receipt of contributions in accordance with article 19.1(a) of the Financial Regulations shall, if they cannot be reimbursed from contributions received in the course of the same financial period, be reimbursed from amounts credited in subsequent financial periods against arrears of contributions.

[1] GB.261/PFA/4/1, reproduced as Annex 3(a) to this report.

Financial implications of holding a Maritime Session of the International Labour Conference

At its 262nd Session (March-April), the Programme, Financial and Administrative Committee considered a paper[1] on the financial implications of holding a Maritime Session of the International Labour Conference in January 1996. On 6 April 1995, the Governing Body decided to endorse the Committee's proposal and to recommend to the International Labour Conference that, subject to its approval of the holding of the Maritime Session of the International Labour Conference, it adopt a resolution in the following terms:

The General Conference of the International Labour Organization,

Noting that the cost of holding a Maritime Session of the International Labour Conference in January 1996 is estimated at $2,427,000,

Wishing to distribute this cost over the 1994-95 and the 1996-97 biennia;

Decides that, notwithstanding article 17.1 of the Financial Regulations, up to $1,961,000 of the cost of the Maritime Session be charged to the accounts of the 1994-95 financial period against programme 140.6, Programme Flexibility Reserve (up to $1,086,000) and major programme 295, Unforeseen expenditure (up to $875,000).

[1] GB.262/PFA/6, reproduced as Annex 4 to this report.

Composition of the Administrative Tribunal of the International Labour Organization

1. At its 262nd Session (March-April 1995), the Governing Body decided, on the recommendation of its Programme Financial and Administrative Committee,[2] to propose to the International Labour Conference at its 82nd Session (1995) that it approve changes in the composition of the Administrative Tribunal of the International Labour Organization as well as the terms of office of two of its Judges, and that it adopt a resolution in the following terms:

The General Conference of the International Labour Organization,

In accordance with article III of the Statute of the Administrative Tribunal of the International Labour Organization;

Decides to appoint as Judges of the Administrative Tribunal, for a period of three years, with effect from August 1995:

— ***Mr. Julio Barberis (Argentina);***

— ***Mr. Jean-François Egli (Switzerland),***

Decides to renew the terms of office of Mr. Mark Fernando (Sri Lanka) and Mr. Michel Gentot (France) as Judges from the expiration of their present terms until the end of July 1998.

2. The Governing Body also decided to recommend to the Conference that it convey its appreciation to Mr. Pescatore for services rendered.[3]

[2] GB.262/PFA/14, reproduced as Annex 5 to this report.

[3] ibid., para. 4.

Annex 1

Third report of the Programme, Financial and Administrative Committee of the Governing Body at its 262nd Session (March-April 1995)

INTERNATIONAL LABOUR OFFICE

Governing Body

GB.262/8/3
262nd Session

Geneva, March-April 1995

Reports of the Programme, Financial and Administrative Committee

Third report

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INTERNATIONAL LABOUR OFFICE

Governing Body

GB.262/8/3
262nd Session

Geneva, March-April 1995

Reports of the Programme, Financial and Administrative Committee

Third report

1. The Programme, Financial and Administrative Committee of the Governing Body met from 21 to 24 March and on 30 March 1995 under the chairmanship of Mrs. Roldan-Confesor, Chairman of the Governing Body. Mr. C. Wetz (Government, Germany) was the Reporter.

Programme and Budget proposals for 1996-97
(Third item on the agenda)

2. The Committee had before it the Director-General's Programme and Budget proposals for 1996-97.[1] The proposals comprised a Preface by the Director-General; an Introduction; summary tables giving the proposed expenditure by major programme in US dollars, regular budget expenditure estimates and an analysis of increases and decreases by major programme; the draft budget of expenditure and income; programme descriptions and estimates by major programme and a number of information annexes.

3. The Committee's discussion was opened by the Treasurer and Financial Comptroller, who introduced the proposals on behalf of the Director-General. His statement is reproduced in Appendix 1.

4. After a recess, the Committee began its discussion of programme and budget proposals.

General discussion of the programme and budget proposals

5. The Director-General added a few words to his presentation of the programme and budget proposals which had been delivered by Mr. Ahmad the day before. The *World Employment* report was a major innovation which

[1] GB.262/PFA/9.

mobilized large budgetary resources. At the time of the preparation of the programme and budget proposals there was uncertainty about the forms which ILO action might take in the follow-up to the Social Summit and so the Director-General decided to include under expenditure on the annual employment report the resources which he proposed to devote to the follow-up to Copenhagen. He noted that the Governing Body would examine in more detail the role which the ILO should play in this follow-up process.

6. The Director-General drew the Committee's attention to a few points. First, the Copenhagen Summit had given a clear mandate to the ILO to participate in this follow-up, in particular in the sphere of employment. Second, there remained a number of ambiguities on the methods for implementing the follow-up measures decided at Copenhagen and on the relationship between the specialized agencies such as the ILO and bodies of the United Nations and ECOSOC. Third, the timetable of follow-up measures and their periodicity remained ambivalent. Finally, no one yet knew when the follow-up would begin. Thus the Director-General proposed that the concept of an "annual report on world employment" should mean "necessary means for the follow-up to the Copenhagen Summit", with the employment report being one of the possible methods of this follow-up. Furthermore, the amount to be allocated to this item and the methods of its utilization should take into account the discussions in the Governing Body. It would be appropriate for this amount to be able to cover the necessary means for follow-up action in the employment sphere, on the understanding that the use of such means would be redefined more exactly in the coming months.

7. Mr. Oechslin, speaking on behalf of the Employer members, said that he had begun his study of the programme and budget proposals with a sense of optimism based on a number of very positive measures taken recently by the Director-General and on some of his positions. The first of these was the appointment of an Assistant Director-General responsible for the promotion and coordination of activities directed towards enterprises, thus satisfying a very old claim made by the Employers' group. Furthermore, the Employers had noted with interest positions which were favourable to enterprises as the main source of job creation, in particular in several parts of the document, such as the end of the second paragraph of the Introduction, where the role of private enterprise and the need for an enabling environment for entrepreneurship were emphasized, as well as in the address by the Director-General to the World Summit for Social Development at Copenhagen. They had also noted with interest, at the beginning of the Preface, his reference to the reform proposals which had been made by the Employers and, in the Introduction and presentation, his proposals concerning a new standard-setting policy. Although noting a relative timidity as regards their positions, the Employers believed that this would enable them to envisage action which they believed was in the right direction. They were also pleased to note, on the first page of the Preface, the highest priority accorded to the problems of employment, a request which they had made on several occasions, in particular during the last budgetary exercise. However, this favourable impression disappeared during a reading of the programme and budget proposals as a whole which, in this respect, would even be a step backwards. He said that he attached special importance to standard-setting policy and to employment policy.

8. As regards standard-setting policy, the Employers pointed out that their remarks did not concern the supervisory machinery for the application of standards. They believed that it was extremely important to maintain the efficiency of the supervisory machinery, and in particular to provide this system with the means and human resources which it required. Thus they were pleased to see the inclusion in the budget proposals of the decision to issue an updated version of the *Digest of decisions and principles of the Freedom of Association Committee* and the development of computerized systems such as ILOLEX, which was a very useful tool. Their main concern was the future of standards and the standard-setting policy of the Organization. A reading of the document showed that, in the body of different programmes, many proposals or remarks were made which in fact continued to maintain pressure for the preparation of new instruments, with little enthusiasm for the review of old standards. This did not really reflect the thrust of the proposals made by the Employers or the positions of new governments and a whole series of considerations under study by the LILS Committee. The Employers noted in the document a tendency towards an increasing number of standards rather than improved, better adapted standards and the account taken of the difficulties or lack of ratifications in establishing a systematic plan of standard-setting activity by the Organization. They were concerned about the proliferation of pseudo-standards, what the Director-General called in his Report to the Conference "soft" standards, i.e. a series of directives, guidelines, codes of practice and manuals. The document contained more than a dozen of these. They resembled standards, were considered outside as expressing the principles of the International Labour Organization, but were not drawn up as standards. The Employers were very reticent to see the development of this type of instrument which was really not based on tripartite preparation.

9. Some ambiguities on the often raised principle of democracy were also a source of concern to the Employers. They fully approved the emphasis placed on human rights and believed that ILO activities in this sphere, and in particular as regards freedom of association or child labour, were of fundamental importance and at the very heart of its mandate. However, the concept of democracy was too often used in a strange way in some contexts. Thus they were concerned about the often ambiguous and, in their opinion, dangerous use of a concept of economic democracy at the enterprise level.

10. As regards employment policy, the Employers maintained, as in the past, that absolute priority must be given to the creation of jobs. However, they had the impression that the proposals made were not always in the right direction, i.e. practical, concrete actions which would allow, in a number of precise cases, help to be given to member States in taking measures, for example, for the redeployment of persons unable to enter the public service because of staff reductions. They noted rather a fundamentally theoretical and sometimes dogmatic approach. Furthermore, they believed that it was not enough to emphasize the importance of the repercussions of social and economic measures on employment, but that thought must also be given to the consequences of certain forms of social policy on economic conditions, and hence on growth. There was a two-way relationship involved here and a balanced development must be achieved.

11. The main event concerning employment was clearly the *World Employment* report published at the time of the Copenhagen Summit. From the outset, the Employers were critical of the report and wondered what body the report was committing. Although the text stated that the report was published under the responsibility of the Director-General, there was some confusion in vocabulary which meant that the report was often seen as a message from the International Labour Organization, in which its tripartite character was emphasized. This aspect would suppose intervention by the tripartite bodies of the Organization, in particular its Governing Body, the Committee on Employment and Social Policy, which did not seem to have played a large role in its preparation, and the Conference.

12. The report contained observations, remarks, studies which were not all negative from the Employers' point of view, but also a strong and systematic criticism of a number of positions defended by the latter and by some governments and major international organizations. Although the report might be discussed during the Conference, the Employers wondered about the effect which this debate would have on public opinion.

13. The Employers also wondered to what extent the report was based on empirical or scientific work since, in most parts of the programme and budget document, the idea was raised of carrying out studies on a number of questions appearing in the report, for example, in paragraph 60.21 which deals with the employment effects of globalization and regional integration on employment, and paragraph 60.33. In the latter case, a proposal was made for studies as to whether regulation and worker protection inhibited employment or, conversely, whether greater labour market flexibility was a useful approach to employment promotion, which was a controversial subject. Now the employment report was categorical on this point. However, at the same time, a short sentence in paragraph 60.33 pointed out that, to date, the arguments had lacked a sound analytical base. This resulted in some confusion.

14. The Employers thus read with dismay some parts of the report, which were furthermore those to which the press had given the greatest publicity. They believed that what was said in the name of the International Labour Organization should include, in one way or another, the points of view, which were sometimes divergent, of the constituents of the Organizations. They had many reservations and could not approve the continuation of this exercise, particularly in the context of zero growth and with account being taken of the relatively large cost of the operation.

15. As was clear from the observations of the Director-General on the relationship between social policy and economic policy, following the World Summit for Social Development, it was clear that the situation called for a greater emphasis on the relationship between the various international organizations, and in particular between the ILO and the Bretton Woods institutions. However, this did not mean that the relations should be systematically based on conflict or be of a one-way nature. It was necessary for the ILO to include in its analysis considerations of an economic nature carried out by the economic and financing institutions.

16. The Employers were particularly concerned about the programme mentioned in paragraph 19, and taken up in major programme 65, concerning privatization, restructuring and economic democracy. These three terms were in their opinion rather ambiguous. Furthermore, this project, which would lead to the publication of a manual containing guidelines on the participative approach to privatization, seemed poorly defined and dangerous. It was dangerous because it was not privatization which led to social problems, but perhaps restructurings. However, these restructurings had become necessary in a very large number of countries because of the poor economic policy previously followed. Privatization was in a sense a last resort to help save enterprises. It was therefore incorrect to speak of the social consequences of privatization, rather than the social consequences of restructurings. In some countries, for example countries in transition, this erroneous concept could be used as a means of protecting, in the restructuring and privatization processes, the particular interests of those responsible for the economy in the preceding phases, i.e. the heads of relatively bureaucratic enterprises and trade unions.

17. The Employers disapproved of the use in the French text of the words "gestionnaire" to translate the English word "manager". The word "gestionnaire", which seemed to be new in the ILO vocabulary, was ambiguous and misleading. It suggested that there was a separate category, over and above the employer, enterprise, property, and staff. The word "manager" was perhaps preferable, although it had some rather unfortunate associations.

18. The Employers believed that, if the ILO was committed to a policy which was of interest to enterprises and which would benefit enterprises, such a policy could not be conceived without a commitment to the development of the market economy. It would also be this which would define the credibility of the Organization vis-à-vis the Bretton Woods institutions.

19. As regards technical cooperation and the partnership policy, the Employers believed that it was indispensable for technical cooperation to meet first and foremost the needs expressed by the Members of the ILO. Thus they were pleased to see the reintroduction of possible action on behalf of the hotel and restaurants industry, where there was a demand from many countries. However, they believed that the document did not resolve all the ambiguities concerning the links between technical cooperation and standards. Technical cooperation should not be a reward but a possibility for improving the capacity of member States to meet their obligations in respect of workers' rights through improved economic growth. The Employers were also apprehensive about the financing of technical cooperation. The evaluations made in the document on extra-budgetary resources were too optimistic. This increased the importance of the regular technical cooperation budget in the available resources of the Organization and it was in the nature of things for this importance to increase. As regards relations between the multidisciplinary teams and the technical services in Geneva, they were very important in the opinion of the Employers, who believed that the corollary of decentralization should be the establishment of privileged links between the field and Geneva.

20. The Employers emphasized that no one was challenging the importance of tripartism. However, they believed it was necessary to distinguish between the

role of representative employers' and workers' organizations, which were constitutionally the only non-governmental bodies involved in the running of the ILO. They noted that on a dozen or so occasions the document referred, alongside the tripartite structure, to the role of non-governmental organizations. This tendency was dangerous, since it was not possible to place on the same footing non-governmental organizations and organizations of employers and workers. In the same way, the role of these representative organizations should not be short-circuited in relations with enterprises and workers.

21. The Employers also raised the question of the role of the Governing Body as a tripartite body whose role must be decisive in guiding the policy of the Organization. They believed that it was time to review the consequences of reforms which had been adopted to modernize structures, to ensure that these reforms were not detrimental to the efficient running of the Governing Body. The speaker believed that each new budgetary discussion tackled the problems raised: the budgetary proposals were increasingly abstract and general and the visibility of the budget and the influence which the Governing Body might have on its final form were doubtful.

22. The excessive number of meetings proposed by the document was another obstacle to tripartism. Meetings followed one after the other and were practically a full-time occupation. The threshold level seemed to have been reached. Neither the Organization, Office nor constituents had the means to follow all these meetings.

23. In conclusion, he said that, despite the criticism which he had raised, the budget proposals and the activities which they reflected contained many other very valid points. However, training remained, in the opinion of the Employers, a major feature of the ILO's activities. The Employers therefore supported it, even though rather too much emphasis had been placed on theoretical rather than practical activities. They also supported the Turin Centre which was, amongst others, an example of an activity determined by demand. At Turin, any activity had to be financed separately, which meant that it had to be strictly adapted to needs. The Employers noted that the ILO, as a whole, could seek inspiration in some of the work methods of the Centre. The Employers also supported all the activities undertaken at the Centre, particularly as regards the unit dealing with the development of entrepreneurship and small and medium-sized enterprises. They hoped that this unit would become a full department, with its own autonomous programme and that a chief would soon be appointed.

24. Finally, the Employers thanked the Director-General for the support which he had given the Bureau for Employers' Activities. They also thanked the collaborators of this department, who provided valuable services to them, even if there was an imbalance between the resources allocated to these activities as compared with parallel activities for the workers.

25. Mr. Tapiola, on behalf of the Worker members, welcomed the improvement in the document, which was more accessible and easier to read than in the past, reflecting a genuine commitment to transparency. This was important in view of the greater need to follow up on programme implementation, because of the continued scarcity of resources, the need for cost efficiency, competing demands from constituents and decentralization. Duplication of work should be

avoided, but unfortunately certain important issues had not been taken up in the proposals. There seemed to be a degree of confusion with regard to some issues, in particular in the field of enterprise and cooperative development, and he shared the concerns expressed by the Employers at the extent to which proposed activities seemed to lead to the publication of guidelines and similar documents. However, the process did not always stop there. As an example, paragraph 60.21 of the programme and budget proposals referred to guidelines on how to overcome the possible negative consequences of globalization and regional integration, and the text suggested that there was a risk of intruding into areas that were rightfully covered by standards. The text also seemed to imply that employment should be given a higher priority than standards. The Workers believed that a simplistic employment versus standards debate was not useful, as this question could be looked at only in terms of complementarity or mutual reinforcement. The emphasis should be on quality and job-creating growth based on the respect of labour standards.

26. Looking at the relative shifts in emphasis, it would be interesting to know why major programme 50 had received only a modest increase, while the relative increases for major programmes 60 and 65 were considerably higher. A substantial increase in activities related to standards was required, in particular in the field of freedom of association.

27. It was regrettable that compared with the major programme related to enterprises, the resources for multinational enterprises did not show an increase, nor did the proposals take the existence of multinational enterprises sufficiently into account. Both the Workers and the Employers had repeatedly called for more resources for these activities, but this had again been unheeded by the Office. It would have been useful to have more clarity on the relationship between enterprise and multinational enterprise activities as the latter were a key factor in globalization. At present, investment policy, together with trade, was in the focus of discussions on employment and living standards vis-à-vis employment and labour standards. The ILO was one of the recognized authorities in the field of multinationals among international organizations. The weakness of the proposals on multinational enterprises underlined one of the missing links, namely concrete proposals on globalization. There were other missing links: follow-up to discussions on the social dimensions of trade liberalization; follow-up to the standards discussion; follow-up to the Social Summit. These issues needed to be discussed now, in the context of the programme and budget discussion, and not at a later stage, as follow-up issues were of concern to everyone. A further missing link was the ILO's role in international debates on economic policy. Although the employment report was a positive start, it was not sufficient. The discussion should concentrate on other means of action and on how to integrate them into the programme of work in order to demonstrate that the ILO was serious about its efforts.

28. The main problem with the 13 action programmes proposed was that they were not compatible with one other. For example, those on export processing zones and on countries emerging from armed conflict were quite different from those related to statistics. If action programmes were to be continued, there should be an agreed set of criteria for them and their budgeting processes should

be made clearer so as to reflect the contributions of one major programme to the action programmes of another. The list of action programmes should be reconsidered with a view to merging, redrafting or possibly expanding some of them. Additional topics to be considered as action programmes included: the promotion of fundamental human rights Conventions; institutional arrangements concerning labour issues in the processes of regional integration; the effects of globalization on enterprise location and employment; international structures for worker representation in multinational enterprises. The action programme under major programme 70 could be extended to cover peace building in a more comprehensive way.

29. As far as the publication *World Employment 1995* was concerned, the Workers regarded it as a well-balanced document and would support its publication on an annual basis.

30. The Workers considered that the ILO should have a policy and activities on enterprises but the basis on which the current proposals were made was not satisfactory as it constituted too much of an employer policy, with the role of others, notably that of workers' organizations, inserted as an afterthought. The aim of the programme should not be to create a maximum number of enterprises but rather enterprises that resulted in productive and sustainable employment. It was essential to promote enterprise behaviour which was in accordance with ILO principles and which fostered ILO objectives. An enterprise was an entity where owners, managers and the workforce had to interact; and this notion seemed to have been lost. A resolution to the 1992 Conference was drafted on this basis with the unanimous support of the Employers' and Workers' groups and, indeed, of the whole Conference. The delicate balance involved in that process had not been taken into account or respected in the drafting of the programme on enterprise development, and the Workers would seek to restore that balance. The International Institute for Labour Studies had, for some time, grasped the complexity and the different facets of the issue and it was surprising that the Institute's work had not been used more in connection with building the programme on enterprises.

31. The Worker members expressed their concern at the effects of diminishing resources for technical cooperation and would seek to clarify how the link between technical cooperation and ILO standards was assured. They also believed that, in the active partnership policy, more discussion was needed on the link between headquarters and the field and on the division of authority and responsibility. Furthermore, clarification was needed concerning several unspecified references to NGOs, so as to ensure that there was no drift away from the tripartite approach and nature of the Organization. There should also be adequate follow-up of interdepartmental projects, as, for example, in respect of the 1992 Conference resolution on migration.

32. Finally, the Worker members stressed that such a large region as Central Asia should not be forgotten or neglected. They also considered that the activities on hotels and tourism were misplaced in programme 65 (Enterprise and cooperative development) and should be moved to the programme on sectoral activities.

33. The representative of the Government of the United Kingdom, on behalf of the Government group, welcomed the programme and budget proposals, which were well-designed and reflected the needs and concerns articulated by the ILO's constituents. The proposals were, in that sense, genuinely demand-driven to a greater extent than previously and were very much a product of the active partnership policy. The presentation was much better: it was clearer, more focused and more transparent. Detail was lacking in some areas, for example, in Information Annex No. 2 where there was a detailed breakdown of expenditure only for selected programmes. Overall, however, the document was clear and usable and the group was grateful to the Director-General and to the Office for having responded so constructively to the criticisms and positive suggestions made during the last programme and budget discussion.

34. The Government group members welcomed the consolidation of existing reforms in the document, relating not only to the active partnership policy but including such areas as the reform of the Conference, the Governing Body, standards, sectoral activities and proposals for certain further innovations. In particular, they were attracted by the idea of action programmes, but were not convinced, in every case, by the content or method of delivery or, indeed, that some of the action programmes represented new work. As had been noted by the Employers' and Workers' groups, many of these programmes appeared to lead to documents and guidelines, rather than to other kinds of action which, in some cases, might be more practical.

35. The Government group members also welcomed the additional priority given to certain programmes, such as employment and enterprise development and other action to combat poverty, but considered that this prioritization should have gone much further. They did not accept the argument advanced in the Preface that, within the context of zero real growth, it was not possible to effect major shifts of resources between programmes. On the contrary, the issue of prioritization should be considered more seriously when there were constraints on resources. The themes addressed by the recently concluded Social Summit — the creation of employment and the reduction of poverty — were clearly top priorities. Certainly, the timing of the Social Summit had made it impossible to produce a full paper on the ILO's role in follow-up to the Summit for this session of the Governing Body, but as this appeared so central to the 1996-97 Programme and Budget, it was difficult to see how the present discussions could be concluded without a clearer idea of the Director-General's intentions in this regard. While appreciating the clarification already provided by the Director-General, further information and guidance might be needed on the schedule for instituting follow-up action to the Summit and on how that would marry with the existing proposals in the programme and budget document, not only on a central activity, such as preparing an annual or biennial report, but also on practical action in the field as, for example, within particular country objectives.

36. Referring to the proposal in paragraph 73 of the Introduction to the programme and budget document, concerning interpretation costs, the Government group members did not consider it acceptable to reduce the number of languages in which full interpretation was provided. Many governments viewed that issue as a political and cultural issue, rather than a technical one. Although

the provision of interpretation might be expensive, it could be seen as discriminatory were the service not made available for some languages. Accordingly, the Government group requested that this particular proposal be removed from the document.

37. With reference to the labour standards versus employment debate raised by the Workers' group, the Government group emphasized that it had not supported employment without reference to standards but had stated that priority should be placed on employment. At present, budgetary allocations showed the opposite — the international labour standards programme attracted 4.06 per cent of the budget, compared to only 2.83 per cent for employment. Moreover, as was outlined in the programme and budget document, the reduction of activities in South Africa had released resources within the international labour standards programme to be spent on additional standards' activities.

38. While there was some general interest in the publication of the *World Employment 1995* report among members of the Government group, there was also some concern that the whole of the increase in ILO spending on employment not be devoted only to a report. In so far as the report and related activities represented a follow-up to the Social Summit, that was something governments would no doubt wish to consider on their merits.

39. Two aspects of the wider financial environment merited consideration: first, there was a slightly higher regular budget spending on priorities such as employment that was more than outweighed by the large decreases in extra-budgetary spending. While appreciating the reasons for this, the Government group wished to see the issue addressed more directly in the document and in the discussions, and would welcome any further clarification from the Office on what could be done to secure new and alternative sources of bilateral and multi-bilateral funding for ILO activities.

40. Secondly, there was a more direct and immediate problem concerning the ability of member States to pay their contributions. The principle of zero real growth had been accepted for some time, and the Government group members appreciated that the cost increases were lower than last time and lower than those proposed for other Geneva-based agencies. However, many members of the Committee worked in national administrations which were facing zero nominal growth or even nominal budgetary reductions. In those circumstances, even a 7.24 per cent increase would be extremely difficult to accept, especially when set against possible increases resulting from shifting exchange rates. This represented a problem particularly for those paying in dollars and for those whose currencies had been affected by instability in the money markets. Accordingly, it was necessary to ask the Office and this Committee to consider what further absorption of the 7.24 per cent cost increases could be achieved. In order to protect vital spending on programmes, it was also necessary to consider what further savings could be achieved through eliminating wastage and improving efficiency and productivity in the administration of the Office. In addition, it had to be accepted that the exchange rate problem had to be revisited by the Finance Committee in June and, if necessary, by this Committee in November, to consider solutions, and if necessary, radical solutions. Suggestions on this matter would be welcomed from the Office and from the Workers' and Employers' groups. There

was a need for a better understanding of the impact of the exchange rate to be adopted at the Conference in June. There was no intention to be alarmist but there was a need to work constructively to avoid a situation where large numbers of member States might be unable to meet their constitutional commitments because of the real difficulties they faced.

41. The representative of the Government of Germany expressed strong concern over paragraph 73 of the Introduction to the programme and budget proposals, which dealt with interpretation. He considered that the paragraph lacked political sensitivity and should be removed from the version of the programme to be presented to the Conference.

42. From time to time it seemed that the Employers' and Workers' groups found a different emphasis in the same chapter of the proposals. As an example, he referred to the proposals outlined in paragraphs 39 to 43 of the Introduction (International labour standards and the technical work of the ILO) which, in his view, were well-balanced. These paragraphs reflected the discussions held during the 1994 Session of the Conference, in the Committee on the Application of Standards and in the plenary, which noted that standard setting was not in itself an objective and that it must meet the changing needs of the world in the most effective and efficient manner possible. It was apparent that neither the Workers' nor Employers' group was satisfied with the role of manuals, guidelines and directives — the so-called soft texts — as replacements for international labour Conventions and Recommendations; and, on this matter, they were right to be cautious. Such material was appropriate only as a means of setting out certain technical conditions, for instance, in the area of occupational safety and health when experts came together to confront a particular problem of medical care.

43. While the present proposals were presented in a form that was easier to read, it was unfortunate that Information Annex No. 2 was incomplete and omitted several important major programmes.

44. He agreed with the previous speaker that action programmes were a good development because they allowed activities to be concentrated on certain specific areas of need. However, they should not become an objective in themselves. On the question of employment and the follow-up to the Social Summit, it was noted that major programme 60 (Employment) had the second largest rate of increase — the largest being programme 245 (Active partnership) — but it was regrettable that so much of this increase had been devoted to preparing an employment report.

45. He associated himself with other countries that had praised the Office for the fact that, in comparison with other organizations, cost increases had been fixed at such a moderate level. Admittedly, there were problems for several member States, arising primarily from exchange rate fluctuations, but the Committee should attempt to find a proper solution to the problem rather than ask the Office merely to reduce the programme and budget. It was interesting to note that, apart from major programme 245, for which special explanations applied, major programme 60 had the highest rate of increase in the budget and most of this increase seemed to have gone towards the costs of publishing the *World Employment 1995* report. He observed that the World Summit for Social Development had taken place only quite recently, and it was only natural that it

was hardly mentioned at all in the Programme and Budget proposals for 1996-97. The proposals were prepared while the Second Preparatory Committee of the Social Summit was finishing its work, and finalized during the work of the Third Committee, so it would have been premature to include references to what the ILO's role might be in response to the Summit's expected recommendations. United Nation resolutions, based as they were on inter-governmental negotiations, were usually compromises and often expressed in vague language, and those following the Social Summit were no different. It would be better to wait and see what role was foreseen by the United Nations for the ILO in the follow-up process. In the meantime major programme 60 provided a good indication of the resources available to the ILO for follow-up to the Social Summit, of which the report on *World Employment 1995* was but one component. He associated himself with the previous speakers who had expressed general satisfaction with the budget proposals, and would comment on individual programmes at the appropriate time. It was gratifying to see that the ILO was proposing only moderate cost increases for 1996-97, unlike some other international organizations. Mainly because of exchange rate fluctuations, some member States would clearly have difficulty in paying their contributions and he urged the Office to look for new solutions to this problem.

46. The representative of the Director-General (the Treasurer and Financial Comptroller) explained that Annex 2 contained budget tables for only those major programmes which comprised several subprogrammes. However, for those major programmes that had a simpler structure, such as major programme 130 (International Institute for Labour Studies), major programme 140 (Equality for women) and major programme 175 (Internal administration), the relevant budget table was contained in the body of the budget text of the programme; this table gave information identical to that contained in Information Annex No. 2.

47. The representative of the Government of India, speaking on behalf of the Asia-Pacific group, agreed with the comments of the Government group. Although some details were omitted for the sake of brevity, the proposals were much clearer and easier to understand. From the "demand-driven" nature of the proposals they had obviously been developed in a spirit of active partnership. It was gratifying to see that the proposals stressed a focused approach in which technical cooperation was an integral part. In the view of the Asia-Pacific group members the highest priority should be given to two of the three major issues stressed at the Social Summit, namely unemployment and poverty. Major programme 60 (Employment) had been increased by about $3.7 million and his group wished to see this increase go to positive and concrete programmes, rather than on issues without such a focus, such as the special problems of labour-sending and labour-receiving countries, which deserved urgent attention. His group was surprised at the comments in paragraph 125.12 that there was a lack of sufficient indicators to monitor changes in poverty levels and assess the effect of various policies. The ILO should invest urgently in programmes to provide this information. From the information in the document it was doubtful whether there would be sufficient funds to cover all the programmes proposed for the Asia-Pacific region. This region contained the largest number of unemployed in the world, and many new countries were also joining the region, thereby putting pressure on existing funds. The 7.2 per cent increase in total resources was

certainly not adequate. The decrease in extra-budgetary income was worrying and affected many programmes, for example IPEC, which had been supported verbally by many governments. Perhaps it was time for the same governments to reaffirm their support with financial contributions.

48. Referring to major programme 270 (Field programmes in Asia and the Pacific), the representative of the Asia-Pacific group stressed the importance of human rights and democracy to countries in the region. There might have been a tendency, particularly in recent years, to single out Asian countries as having a different approach to labour standards, but this was not true. They were all unequivocally committed to strengthening fundamental labour standards but economic considerations also played a part. Members of the Asia-Pacific group were also in favour of reopening the ILO office in Teheran, a view that had been communicated to the Office. The Islamic Republic of Iran was the only country in the region not covered by a multidisciplinary team, a situation that should be corrected. Recently a conference had been held in New Delhi by non-aligned and other developing countries concerning a programme of action on a series of issues with which the ILO itself was also dealing. There was no conflict with the objectives of each, but when resources were allocated for specific ILO programmes (e.g. child labour, social security, migration), it would be useful to follow the same programme of action as that adopted in New Delhi. As a final comment he agreed with previous speakers' statements regarding paragraph 73 of the Introduction dealing with interpretation services at the ILO.

49. The representative of the Government of Italy expressed full support for the statement by the spokesperson of the Government group. It was gratifying that the budget implemented not only the strategies outlined the previous year but many of the matters dealt with at the Social Summit in Copenhagen. The role and the work of the ILO had received much praise at the Copenhagen Summit, especially its standard-setting activities in the field of human rights, and he looked forward to the follow-up that the ILO would give to the results of the Social Summit. The ILO's first priority should be on furthering productive employment, and the increase of resources in this major programme was welcomed. The proposed annual edition of the report on world employment was also a welcome innovation, and it was desirable for the report to contain an operative part on future activities. Other fields of activity deserving support included the training and education of workers, with special reference to the possibilities offered by economic development. He also welcomed the more pronounced shift to active partnership, and the increased support for small- and medium-scale enterprises and cooperatives. The decrease in extra-budgetary income received by the ILO was most regrettable, as was the plight of many member States in trying to cope with currency exchange rate fluctuations. Further rationalization measures might well become necessary, possibly in the documentation and publications sector, but taken as a whole he expressed general approval for the proposals.

50. The representative of the Government of France expressed agreement with the general views of the spokesperson of the Government group. However, there had not been enough time to reach unanimous agreement among government representatives, and, for now, he wished to add three observations. First, there was no clear timetable for the proceedings of the Committee. Was this week to

be spent on a discussion of the budget, and the following week devoted to a discussion of the follow-up to the World Summit for Social Development in Copenhagen? As the consequences of any implementation would have more impact on the second year of the biennium than on the first, an imbalance could be created in the implementation schedule of the budget. The Director-General should take the initiative in defining the role of the ILO in the follow-up process in all the areas for which the ILO was clearly responsible, such as employment, its role in the alleviation of poverty, and the ratification and implementation of ILO Conventions. The United Nations should not be giving orders to the ILO on issues exclusively within the ILO's expertise, but where issues fell within the competence of more than one organization then negotiations with them would naturally be in order.

51. Second, it was interesting to see that the report on world employment had led to so much discussion. This report was quite valuable if for no other reason than for having provoked media attention in many countries. It might be unwise to publish such a report every year, especially as it continued through a process of evaluation. Tripartite participation in the report was probably not a good idea, because the editing process would lead to many compromises and thus weaken its impact. The report would better be published directly under the responsibility of the Director-General, and it should primarily be an informational study including statistics and government employment policies. From this point of view such a publication was extremely valuable, and he was wholeheartedly in support of its continuation.

52. Thirdly, the ILO could hardly be expected to deal single-handedly with the issue of currency fluctuations. Financial crises such as the present one had occurred in the past and would recur in future. The ILO was not in a position to introduce stability into the world financial system and therefore could not be asked to prepare budget proposals completely insulated from currency risk.

53. The representative of the Government of Tunisia, speaking on behalf of the African group, congratulated the Director-General and the Office on the improved presentation of the programme and budget document. More improvements could still be made, and in particular he suggested that the information concerning major programme 125 (Development and technical cooperation) should be presented by region. Although the time constraints affecting the presentation of the Director-General's proposals as a result of the Declaration and Programme of Action of the World Summit for Social Development were well understood, it was important that these be heard as they had implications for the programme for the 1996-97 biennium.

54. The priority objectives for the next biennium were clearly set out in the programme and budget proposals, but the allocation of resources did not always correspond to these objectives. For example, the Preface stated that employment would be given the highest priority and throughout the document the importance of employment was clearly evident. Nevertheless an examination of the allocation of resources showed that those assigned to employment were inadequate. Resources allocated to major programme 60 (Employment) represented only 2.83 per cent of the total budget. This did not correspond to needs and expectations, nor to the role that the ILO was called upon to play in this area. Although there

had been an increase by 39 per cent, or $3.7 million, in the programme, most of this was for the preparation of the report on world employment. Obviously the report was important, but the amount allocated for it was too high. Member States were more interested in activities aimed at reducing unemployment and poverty in the field. The Director-General's explanations given at the beginning of this session were reassuring as long as increases arising from the follow-up of the World Summit for Social Development were spent on employment issues and not on the report. Similarly the allocation of resources to major programme 125 (Development and technical cooperation) fell well short of needs. They represented only 1.44 per cent of the budget and were less than those allocated in the previous programme and budget.

55. The link between objectives and resources was also missing from the allocation of resources by region. Paragraphs 250.1 and 250.2 in major programme 250 (Field programmes in Africa) provided a good analysis of the difficult economic and social situation in Africa. But the programme and budget proposals neither reflected this situation nor took into account the expectations or needs of the region. It was clear that respecting zero budget growth did not make the Director-General's task easy. The African group would have preferred that this principle were not retained, but, as it had been, they would welcome some re-balancing in the programme and budget. As several speakers had already pointed out, this was possible. The Organization was accustomed to responding quickly to the needs of member States, and in particular to the exigencies of regions such as Africa where needs concerning employment and the struggle against poverty were enormous. The member States had high expectations of the Organization in regard to aid in these areas.

56. Finally the African group rejected unanimously the proposal put forward in paragraph 73 of the Introduction to the programme and budget proposals concerning interpretation services.

57. The Director-General had wanted a document on the follow-up to the Copenhagen Summit to facilitate the discussions on the programme and budget proposals. The Summit had ended only eight days ago and it had not been possible before to prepare the document which would be presented officially to the Governing Body.

58. The Director-General said that he was however able either to submit to the Committee on the Thursday morning an unofficial document in one language, or to make a brief oral statement to give members of the Committee some indication of how the follow-up might be applied.

59. The representative of the Government of Canada preferred to have a document, ideally published in two languages. As this did not exclude a short oral presentation, and on the understanding that an official paper translated into all the languages would follow a few days later, all needs would thereby be covered.

60. Miss Mackie, speaking for the Employer members, also supported the idea of a document, preferably accompanied by an oral presentation which would solve the language problem.

61. Mr. Tapiola, on behalf of the Worker members, also preferred a paper supplemented by an oral presentation. He asked if the document could be made

available sooner and if the major programme on employment would be discussed only after the document had been presented.

62. The Director-General said that the document would not be available before the Thursday morning. Although it would be difficult to provide a translation of the entire report of the Copenhagen Summit, the main conclusions could be made available in two or three languages. The Director-General said that he wanted to be present during the debate on the annual employment report and proposed that this should be held on the Thursday or the Friday.

63. The representative of the Government of Egypt endorsed the comments made by the spokesman for the African group. He suggested that table 2, which showed the regular budget estimates and an analysis of increases and decreases by major programmes, could be used as an aid in the reallocation of resources. This table showed that there was an imbalance in the way resources had been allocated. For example, financial services represented 2.6 per cent of the budget, whereas employment accounted for only 2.8 and technical cooperation 1.44 per cent of the budget. These were important programmes to which resources from other programmes should be transferred. A transfer of resources should also be made to the field programmes in Africa and the Arab States. Despite the great needs of the Arab States the allocation was only 1.55 per cent of the budget. He urged that more resources be allocated to this region.

64. The representative of the Government of Argentina endorsed the statement of the spokesperson for the Government group but wished to clarify his Government's position on certain aspects of the programme and budget proposals. His Government appreciated the efforts of the Director-General to meet the requests of the member States in the preparation of the programme and budget proposals and it supported such basic issues as promoting democracy and human rights, reducing and alleviating unemployment and offering more protection to workers.

65. The total budget represented an increase of approximately 7.23 per cent over the previous biennium. This was based on an exchange rate of 1.45 Swiss francs to the dollar which, after the recent fluctuations in the value of the dollar vis-à-vis the Swiss franc, was very different from its current value. No one could predict if this difference would be reduced. If the exchange rate of the dollar against the Swiss franc remained at its current level, then the budgetary increase would amount to 24 per cent. The Director-General had quoted an exchange rate of 1.17 dollars to the Swiss franc which would mean a considerable increase in contributions. The Director-General had also mentioned that the quantity proposed depended on factors beyond anyone's influence. Governments faced that same difficulty. They too were unable to influence the situation and therefore it was essential that further adjustments were made to the budget to provide governments with some protection against increases which they might not be able to pay. In this connection, he observed that in order to deal with the disruption on the markets the Government of Argentina had introduced strict adjustment measures which included reducing civil service wages by 15 per cent. This required the Government to rationalize budgetary allocations, and the ILO would need to do the same. Resources should be allocated differently and more strictly: costs in non-priority areas should be reduced in order to achieve real zero growth at

current exchange rates. For example, allocations for major programme 210 (Legal services) as well as major programme 130 (International Institute for Labour Studies) could be re-examined. However, whatever other revisions might be made to allocations, employment should continue to be a priority. Although the major programme on employment had received an increase of $3.7 million, an increase of 39 per cent, this was for the preparation of the report on world employment. Expenditure on employment strategies and policies had unfortunately been reduced considerably. As regards *World Employment*, he echoed the comments by various previous speakers on this initiative that the report and the issues surrounding it should be discussed by the Committee before it was published. It was essential that more resources were allocated to technical advisory services on employment policy and on training. It was important that suitable training programmes be developed to deal with market economies, and more funds should also be directed to development and technical cooperation activities.

66. He agreed with previous speakers who said that the objectives of the action programmes would have been better achieved if account had been taken of the specific requests made by member States, and he recommended that the Office proceed with caution in regard to the accreditation and participation of non-governmental organizations. Under no circumstances should the representation of employers' and trade union organizations, which are constituents of the International Labour Organization, be weakened.

67. The representative of the Government of the United Kingdom said that, in general, her Government was pleased with the overall content of the programme and budget. It was shorter and better focused; and what the ILO was trying to achieve was made much clearer. In future it could go further in setting measurable and time-limited objectives so that it would be possible at a later stage to judge whether these had been achieved. Eventually this aim could be tied to an evaluation strategy, a part of which could be reports to the Governing Body so that it would have an informed view on what programmes were or were not worth pursuing.

68. The consolidation of recent ILO reforms reflected in the presentation of the document, for example on standards sectoral activities and on the active partnership programme, was also welcomed. It was also clear that the Office had followed the logical consequences of what had been decided some time ago, namely to focus on policy advice rather than detailed project management. There was perhaps a limit to the number of guides, technical advice documents and pamphlets that any one person could be expected to absorb, and the number of these documents being proposed in this programme and budget could be questioned. However, the shift to providing high policy advice rather than running small projects was welcomed, as was the general resource shift towards employment and other priorities.

69. Her Government held mixed views on the action programmes. It supported those singled out by the Director-General in his opening statement but was less impressed by their underlying objective to oblige departments within the Office to work with one another. The Office should be prepared to work together without special programmes and mechanisms being set up to achieve that end. The extension of the monitoring, evaluation and reporting system was a very

welcome innovation in the UN context. However, her Government did have some reservations on the personnel chapter and on whether further streamlining could not be achieved with regard to financial and other support services. The massive drop in extra-budgetary resources should have allowed bigger reductions to be made in the management and monitoring of external resources.

70. The report on world employment had caused a storm of controversy in the United Kingdom, although more as a result of media and political commentary than because of any outrageous statements in the report itself. It would be difficult for her to criticize because the United Kingdom had been amongst those who had urged the Office to produce more high profile and controversial reports, and it understood that the rationale behind the report was to enable the ILO to have more influence at a higher level with other international organizations in the field of employment. However, she did share the reservations expressed by previous speakers on the level of budget allocations to publications vis-à-vis other activities in the employment programme.

71. The representative of the Government of Kenya supported the statements made by the spokesmen of the Government group and the African group, and expressed support for the Programme and Budget proposals for 1996-97, which took careful account of the preliminary discussions held in March 1994. They were well-balanced and represented a shift of resources to those areas where the need was greatest, as well as giving priority to activities which fell squarely within the ILO's areas of competence. Such activities included the promotion of democracy and human rights, the eradication of poverty, enhancing the relevance and the application of international labour standards, employment promotion, equal opportunity and treatment between men and women and the protection of workers generally.

72. It was gratifying to see that the proposals gave special attention to the fight against poverty and unemployment since it was difficult to eradicate poverty or to enjoy genuine democracy in the absence of real employment opportunities. The key priority objectives of the programme and budget, pursued through a wide range of technical activities including several action programmes, touched on a number of very important issues, such as major programmes 60, 65 and 70. The proposal to create a new major programme 125 dealing with the development of technical cooperation was particularly timely in view of the urgent need to sharpen the ILO's attack on the problems of unemployment and poverty. In addition, the programme on enterprise development, as proposed in the programme and budget, would have a key role to play in the generation of employment opportunities and the alleviation of poverty through long-term economic growth.

73. Major programme 65, which included enterprise forum activities aimed at advising various governments on how to promote the development of small and medium-sized enterprises, was especially welcome.

74. He also expressed support for the proposal to retain major programme 145 during the biennium 1996-97, in order to be able to provide a quick response to any unforeseen emergencies, and to the initiatives to develop continuing dialogue with the Bretton Woods institutions. He approved the new proposals under major programme 245 on active partnership and expressed the

hope that the period 1996-97 would be one for consolidating the active partnership policy. The operating constraints of the zero growth budget meant there had been little scope for significant changes of resources between the different programme activities, but it was regrettable that the level of resources allocated to the African region was inadequate in view of the urgent need for ILO services in Africa today. Even though the budget reflected zero real growth savings had been achieved in several areas and these should be allocated to field programmes in the regions, but even then the level of resources allocated to the African region would make little impact on the fight against unemployment and poverty.

75. The representative of the Government of Chile agreed with the statement by the spokesman of the Government group, but thought that some of the priorities, particularly for the Americas region, should be re-examined. The processes of globalization and integration were having a considerable impact in the countries of this region, particularly as they related to labour issues, but an atmosphere of uncertainty now prevailed. The process of privatization, for example, had led to increased insecurity and unemployment. Some groups had reacted by adopting protectionist policies and this had tended to undermine the confidence of the population in the policies enacted by the authorities. People had to have confidence that modernization offered them a chance of improving their opportunities and living conditions. One of the best ways of building confidence was to have a consensus on the objectives to be achieved, but this was difficult to achieve unless all parties were involved in the process of dialogue. The mobility of technology, capital and human resources was most important for countries undergoing economic reform, so training and technological development would be crucial in changing labour markets. There was already considerable flexibility in the labour markets and in contracting systems where there were contracts for fixed periods and piece-work, and other atypical types of contracts, but these mechanisms should not be unfairly exploited by employers. If used in a reasonable way they could improve employment opportunities and economic conditions. But employment and job security were paramount considerations, and innovation would be needed to avoid or at least lessen the impact of dismissals and redundancies. For example, variable wage scales adapted to levels of productivity took into account changing technological conditions and would make it easier to adjust to changing production levels. Lastly, social security systems should also be made more flexible to cope with today's rapidly changing conditions. Existing systems were based on old traditions and needed overhauling.

76. The representative of the Government of Sudan believed that the programmes proposed to alleviate poverty and combat unemployment, mainly major programmes 60 and 125, were not given sufficient weight. Although there was an increase in major programme 60, most of this was due to the publication of the *World Employment 1995* report, which was expensive as well as important. This report should put forward strategies that would help in fighting unemployment and poverty in the world and in Africa in particular. Particular problems to be dealt with included the integration of women in the job market, youth unemployment, and the creation of jobs in the agricultural sector.

77. He attached great importance to the findings of the World Summit for Social Development, especially to its statements on unemployment, one of the

major topics discussed at the Summit. It was clear that increased resources had to be allocated to programmes 125 and 60 in order to follow up properly on the recommendations of the World Summit. Similarly, the World Conference on Women to be held in Beijing would also have some effect on the Programme and Budget for 1996-97. It should be possible, even within the context of zero growth, to increase allocations for these activities. He endorsed the statements made on behalf of both the Government group and the African group, and agreed also with the speakers who had criticized the reduction in interpretation services proposed in paragraph 73 of the Introduction. With that exception, he expressed general support for the proposals.

78. The representative of the Government of Hungary expressed appreciation for the efforts of the Director-General and the Office in the preparation of the Programme and Budget proposals for 1996-97. The major objectives set out in the proposals — the promotion of democracy and human rights, the alleviation of unemployment and poverty and the protection of working people — deserved strong support. The proposals showed a willingness on the part of the ILO to listen to its constituents and to adapt its programmes to the changes taking place in the world today. The active partnership policy was a welcome development and would enable the Organization's constituents to be involved much more closely in its activities. At the same time, the multidisciplinary teams operating within regions would provide member States with comprehensive answers, taking into account the local conditions and the decision-making process in these member States. He welcomed the Director-General's proposals relating to standard setting, particularly with regard to reviewing the impact of existing Conventions and examining the possibility of revising some of them so they could be ratified more easily. He also endorsed the proposed action programmes and major programmes dealing with employment, enterprise and cooperative development, and industrial relations and labour administration. The main elements of the new strategy for technical cooperation in these areas should be introduced as soon as possible.

79. The representative of the Government of the United States was pleased that the programme and budget proposals continued to reflect zero real growth and the Office should be commended for the financial discipline it had shown. It was unfortunate that the recent decline of the dollar against the Swiss franc had potentially serious consequences for member States' assessments, and although this situation was obviously beyond the control of the ILO, it must be given greater weight in future financial planning. The result of recent exchange rate movements meant that even greater efforts ought to be made to achieve maximum absorption of non-discretionary cost increases within the budget. This was a necessary corollary to the principle of zero real growth.

80. Many previous speakers had emphasized the need for cost savings and many had also strongly opposed the proposal for the reduction or elimination of certain interpretation services. This did not mean, however, that the members of the Governing Body were not serious about cost savings after having rejected this proposal. The need for administrative savings was plain enough but clear communication was vital to effective stewardship of the ILO and it would be irresponsible to deprive participants of this essential service.

81. Turning to the programme proposals, the increased emphasis this budget placed on the alleviation of unemployment and the promotion of human rights deserved the fullest support. They would help meet the demands of rapid economic globalization and geopolitical change, as well as the promotion of the social dimension in the work of the Bretton Woods institutions. The proposals for follow-up to the World Summit for Social Development in the areas of the ILO's mandate were of particular importance to the United States Government and it would look forward to receiving those in the near future. The concept of action programmes was a welcome innovation, and it would be interesting to have more detail about the outcomes to be expected from the programmes and the outcomes already achieved. In this regard it was important to distinguish between outputs, such as reports and studies, and outcomes, which focused more on improvements to people's lives. For example, in assessing the value of a $34 million budget for editorial and document services it would be useful to look not at the quantity of publications produced but at the impact they had. Another activity to be analysed was the evaluation of programmes, their achievements and their expectations. The monitoring, evaluation and reporting system instituted this year should augment the normal audit process and provide more meaningful evaluations. This kind of rigorous evaluation should lead to more informed decisions about which programmes should be continued. The ILO had undergone many reforms in the current biennium, ranging from reform of the Governing Body committees to the creation of multidisciplinary teams in the field, and from the streamlining of the Conference to the introduction of the active partnership principle. These reforms should make a real difference to the way the Organization fulfilled its mandate in the next biennium. The task now was to build on the reforms by ensuring that the ILO had the strongest possible programmes for meeting the needs of its constituents.

82. The representative of the Government of China appreciated the improved presentation of the programme and budget proposals document, which was now much easier to understand. The section devoted to programmes for the promotion of employment and the elimination of poverty occupied a more prominent position in the document. He also appreciated the introduction of major programme 125, the publication of the *World Employment 1995* report, the development of enterprises, the reinforcement of vocational training, as well as the activities planned for increased cooperation and consultation with the Bretton Woods institutions. These were all positive developments and reflected to a large extent the emphasis by the member States on programmes to alleviate unemployment, but much more needed to be done.

83. The Office should also allocate more resources to implement follow-up action for the recent World Summit for Social Development and to provide for follow-up action for the forthcoming Fourth World Conference on Women, to be held in China.

84. Resources for the protection of workers, especially in the safe use of industrial chemicals and for the evaluation of standard-setting activities needed to be increased. The revision of standards should be accelerated and the programme designed to give more direct assistance to constituents. He also favoured the

reinforcement of the activities of multidisciplinary teams so that they could give better service to developing countries.

85. Although the budget reflected zero real growth, he agreed with the increased resources for programmes 65, 80 and 90. For the ILO there should be one priority above all others — the promotion of employment and the elimination of poverty. Over the last few years the ILO had not done enough in these programmes. In the Introduction to the programme and budget proposals the top priority was still attached to the promotion of democracy and human rights. Nobody had any doubts about the importance of democracy and human rights, but in today's world the promotion of employment had to be the absolute priority.

86. He expressed concern about the reduction of extra-budgetary resources for technical cooperation because assistance given to developing countries would be limited considerably, and the ILO would be reduced simply to providing technical advisory services. The Office should take active measures to find other extra-budgetary sources for technical cooperation activities, so that greater attention could be given to assistance for developing countries.

87. He agreed with the previous speakers who had protested about the proposed reduction in interpretation services. The Office could not work efficiently, nor could members make effective contributions to discussions, if these services were curtailed. He agreed that paragraph 73 of the Introduction should be deleted. Although he expressed general support for the programme and budget proposals they appeared not to reflect the right balance of activities for conditions throughout the world today. If the ILO was to play its proper role, it had to attach greater importance to activities in the countries of the Asia-Pacific, African and Latin American regions.

88. The representative of the Government of Spain expressed support for the budget as a whole and agreed with the priorities set and the means of action. At the exchange rate for the 1994-95 biennium, the budget showed an increase of 7.23 per cent. This, of course, was purely for comparison purposes, because based on the current rate of exchange between the Swiss franc and the US dollar the increase was about 24 per cent. Although the ILO scale of assessments for 1996 and 1997 would change, because they were based on those of the United Nations, some member States would face a solid increase in their contributions.

89. The priorities assigned by the Director-General in the proposals, the promotion of democracy and human rights, the alleviation of unemployment and poverty, and the protection of working people, deserved the Organization's fullest support. The work of the ILO in these priority areas should enable it to participate much more fully in the development programmes of the United Nations. At the same time this Committee had to concern itself with the whole of the programme and budget proposals to ensure that expenditure increases were properly justified. In general, however, his Government gave full support to activities concerned with the application and revision of standards and the special problems of equality for women, and those of disadvantaged groups such as migrant workers and the disabled. These had taken on increasing importance now as a result of the economic and social changes under way throughout the world.

90. It would be interesting to hear the Director-General's report on the results of the World Summit for Social Development and to take these into

account as far as possible in the discussion of the Programme and Budget proposals for 1996-97. The ILO, as the specialized agency dealing with issues such as the alleviation of poverty and unemployment, would have a valuable role to play in the follow-up to the Social Summit. His Government strongly supported the programme aimed at the elimination of child labour, and had itself recently committed several million dollars separately to the IPEC programme.

91. The action programmes for many of the major programmes were a welcome development, particularly those dealing with equality of conditions for men and women in the workplace, youth unemployment and social protection. Technical cooperation was one of the major activities of the Organization but it was now due for an overhaul. The Office should look at how technical cooperation activities could help in promoting the active partnership policy. His Government also attached special importance to major programme 240, dealing with international relations, because the value of the ILO's work would be enhanced if it was able to work more closely with other international organizations, in particular the Bretton Woods institutions. There would be more detailed comment in the item-by-item discussion but at this stage he wished to reiterate his full support for the 1996-97 Programme and Budget proposals.

92. Miss Mackie, for the Employer members, wished to make a number of points common to several programmes. First, the Employers were concerned at the increasing cost of meetings. Interpretation services were expensive and this had been underlined in the breakdown of expenditure for the Maritime Conference to be held in January 1996. The actual number of meetings was also increasing. It was becoming difficult to arrange for proper representation and secretarial support when meetings followed each other closely in a crowded calendar. Another point which was common to many programmes was the reference to consultation and involvement of non-governmental organizations as well as a wide variety of others: community groups, local institutions and so on. Clearly the ILO could not stay isolated and concerned only with its own constituents, but the Organization should remind itself of the continuing validity of its mandate as well as its ability to call on a tripartite and representative voice. Certainly it was useful to hear the voice of others but decisions affecting the policy and activities of the ILO must be made by the constituent members of the tripartite organization. Second, throughout the programme and budget document there was frequent reference to various forms of guidelines, codes and other documentary material which had been referred to as soft law. It was important to ensure that there was proper tripartite and representative input in these documents, or at least that they were approved in tripartite discussions before being issued. Third, while appreciating the information in the whole document including the annexes, the Employers noted that research was an important activity, of which only an incomplete and piecemeal picture was presented. Although resources proposed for research within some of the most important major programmes were identified within Information Annex No. 6, there was also much research undertaken within other programmes. Overall, this was a very important part of the work of the Office, but one which was difficult to identify and appreciate. Fourth, the multidisciplinary teams operated within all the different field programmes and this opportunity was therefore taken to discuss their role and to underline the importance of maintaining links at all levels with the multidisciplinary teams,

particularly as regards employers' relations and workers' relations. Fifth, she supported the earlier remarks by the representatives of the United Kingdom and United States Governments when they called for clearer accountability of how budgeted expenditure had been applied in practice, with emphasis on outcome rather than output.

93. In conclusion, the Employers wondered whether the Office had been sufficiently cautious in its estimates of the level of extra-budgetary contributions which would be received in the 1996-97 biennium. Although these contributions were steadily decreasing there were still major plans in parts of the programme and budget which were dependent upon them and this was an issue on which further information would be appreciated. The Employers believed that some redistribution, perhaps even reduction, of expenditure might be required to allow for the possibility that the figures in the 1996-97 Programme and Budget proposals were a little too optimistic.

94. The representative of the Government of the Russian Federation expressed support for the Programme and Budget proposals for 1996-97 and especially the priority goals described in paragraph 5 of the Introduction: the promotion of democracy and human rights; the alleviation of unemployment and poverty and the protection of working people. Within the general framework of the programme, it was extremely important for the ILO to provide active assistance to countries moving into a market economy. At present these countries had considerable difficulties with unemployment problems and falling standards of living and they required ILO assistance to ensure social stability during the process of economic reform. The decision to transform the Moscow Branch Office into a full ILO Office was particularly welcome, and would enable the Organization to give more effective assistance to his country and other CIS countries with a view to establishing a new system of labour relations, as well as developing social dialogue and increasing social protection during the reform process.

95. The Russian Federation supported all the major programmes in the Programme and Budget proposals for 1996-97, in particular those related to training, labour relations and employment, social security, and statistics, for all of which they were cooperating closely with the ILO. This cooperation should also be extended to other major programmes such as enterprise and cooperative development, and working conditions and environment. His Government also hoped to make more active use of the Turin Centre in the forthcoming biennium for the training of specialists for a market economy.

96. The Russian Federation was prepared to support the maintenance of the zero growth regime. However, for many member States this would mean a substantial increase in their contributions because of exchange rate fluctuations. To conclude, he associated himself with the remarks of previous speakers who disagreed with the proposal to reduce the interpretation services. It was proper to search for administrative savings but not if it affected member States' participation in ILO activities.

97. The representative of the Government of Japan expressed support for the statements of the representative of the Government group and of the Asian group. It was gratifying to see that the Programme and Budget proposals for 1996-97

continued to reflect the policy of zero real growth. It was regrettable that this would mean an increase of over 7 per cent in the budget total, based on the same exchange rate as for 1994-95. Many governments were now operating under severe budgetary constraints, Japan among them, because of the devastation of the recent earthquake at Kobe. The reforms in the functioning of Governing Body and sectoral meetings and of the Conference were particularly welcome and the savings should be redistributed to such priority activities as employment creation and the alleviation of poverty. The replacement of interdepartmental projects by action programmes was also a welcome development and, with the active partnership policy and the decentralization of some administrative functions, would result in the much more effective use of ILO resources. He joined the representative of the Government of India in calling for an increase in resources to be allocated to the Asian and Pacific region to deal with their most urgent needs, such as the alleviation of poverty, the elimination of child labour, and the economic reform being undertaken by many States in the region. In view of the decrease in extra-budgetary resources the Office should develop its technical cooperation activities by strengthening its ties with other organizations such as the World Bank and UNDP. He felt some sympathy for the member States which had expressed disagreement with the proposal to search for economies in the interpretation services and asked the Office to quantify the total cost for this service so that offsetting savings could be found in other programmes.

98. Mr. Anand (Employer member) observed that according to the programme and budget proposals the first concern would be to "consolidate the reforms adopted", particularly the active partnership policy. The proposals attached the highest priority to employment and emphasized the role of enterprises, especially small ones, in combating unemployment. Action would also be taken to follow up on the World Social Summit. All this was to be achieved under a zero real growth regime. If the ILO could achieve even partial success with these objectives the world would be grateful. World expectations on economic growth and social development were brought into focus at the World Summit for Social Development and the ILO would have an important role to play in the years ahead. It would be difficult, even impossible, to do this within zero budgetary growth. A zero growth approach could only be temporary in the dynamic conditions of today's world. The ILO and its constituents should make every effort to mobilize more resources so that it could carry out its responsibilities properly, perhaps through some form of action plan. It was regrettable that a substantial reduction was expected in 1996-97 in resources for extra-budgetary technical cooperation activities, and a top-level tripartite group should be set up to negotiate with other organizations in the UN system.

99. Turning to the field programmes, it was interesting to see that regular budget allocations had hardly changed, whereas funds from other sources had shown marked decreases for all regions except Europe. For Africa, the proposals referred to a need to support economic reform by more emphasis on democracy and human rights and social justice, and with population growing much faster than output most countries in the region faced increasing difficulties in improving the quality of life and the standard of living of their people. Furthermore, the proposals mentioned that for the Asia-Pacific region poverty alleviation and employment promotion were an obvious priority as more than two-thirds of the

developing world's poor were in Asia, with South Asia alone accounting for one-half of the world's 1.1 billion poor. How could the ILO even begin to address the needs of these regions if it continued with a zero real growth regime? On a more modest scale were the Turin Centre and the International Institute for Labour Studies, where resources were at the same level as for 1994-95 except for a modest increase of $90,000 to the Institute. They were expected to undertake research on such subjects as corporate governance, enterprise strategy, social policy retraining and the future of work, but the resources proposed for these two institutions did not inspire much confidence that they would be able to carry out their responsibilities effectively in the coming biennium. They deserved better.

100. It might be useful for the Governing Body to consider setting up a working party to explore, in consultation with the Office, ways and means to mobilize additional resources. The external funding agencies could be approached to restore funding to the 1994-95 level, and in view of the additional specific commitments to enterprise and employment development, member States could be called upon to accept a surcharge of 10 per cent on their annual contributions to the ILO budget for a period of ten years, these funds to be used for implementing special programmes aimed at poverty alleviation. Such action would show the commitment of governments of both developed and developing countries to coordinate a response to the conclusions of the recent World Social Summit in Copenhagen. The Working Party could also advise corporate bodies and workers in different countries to contribute to this fund as a symbol of support and belief in its objectives. If such a scheme were to be put into effect, it would be only natural for international funding agencies to respond more positively to the ILO's search for more funds for extra-budgetary technical cooperation activities.

101. The representative of the Government of Canada expressed agreement with a statement in the Director-General's preface that: "The ILO must become better known, more widely known and recognized as an Organization with something to say." This would also include increased contact with other international organizations including the Bretton Woods institutions. The ILO was at a crossroads. At a time of economic globalization, liberalization of international trade and unemployment on a global scale, there was a growing realization that, on the one hand national administrations could not individually solve many of their problems, and on the other a whole range of issues which until quite recently were perceived at least primarily to be within national boundaries were now shifting on to the international scene. There was also a growing awareness, not only at the level of national administrations but among international institutions, including the Bretton Woods institutions, that social and economic development went hand in hand and that it spelt failure to look at one without the other. Governments everywhere, and Canada was no exception, were grappling with the problems of fiscal restraint and unemployment and were trying to find answers. In the midst of all this there was an opportunity for the ILO to show itself as a credible economic and social partner on the world scene. The activities in the Programme and Budget proposals for 1996-97 were a good step in that direction but despite the opening line of major programme 50 the ILO should realize that the promotion of labour standards alone would not suffice. There were many other ILO standards and Conventions that were equally valid, some of which might even be promoted by other institutions such as the World Bank, the

International Monetary Fund and regional development banks. The key point was that standards were not the only activity that the ILO should promote.

102. There was a need for the ILO to increase its capacity for objective, timely and sound research and analysis and to develop thought-provoking, high-level policy papers which would not only stimulate tripartite discussion within the Organization but also encourage reflection and debate at both national and international levels. The proposals in paragraph 60.21 of the document were a good example. The International Institute for Labour Studies had done a lot of valuable work in recent years but this could be enhanced by closer collaboration between the Institute and the Office on matters of common interest.

103. The World Employment report was an excellent initiative even though it was not to everyone's liking. But then not everything that emanated from the Office needed the tripartite seal of approval. There was a role for the Office to issue this kind of analysis and research to stimulate thinking and debate. Biennial rather than annual publication might be preferable to retain readers' interest and contain costs.

104. Although expressing support for the priorities outlined in paragraph 5 of the Introduction and for the concept of action programmes, she agreed with the comments by the representative of the United States Government about the need for evaluation of activities. A distinction was needed between being efficient, which meant doing something well, and being effective, which meant choosing the right thing to do in the context of priorities and objectives. It was gratifying to see the efforts made by the Office to continue the zero real growth regime. Under such a regime it was certainly difficult for the ILO to do all that it would like to do, as some previous speakers had pointed out. But in the climate of major fiscal restraint and even contraction imposed on many member States, it would have been totally unrealistic to expect anything else. She shared the concern already expressed by several speakers about the impact of exchange rate fluctuations. It was true that it was not the role of the ILO to ensure the stability of money markets, but it was equally true that exchange rate movements affected member States' ability to pay. This subject would doubtless be discussed at some length at the Conference in June. The nominal percentage cost increase in the Programme and Budget proposals for 1996-97 was modest compared with that of other specialized agencies in Geneva, but she agreed with other speakers that the ILO should continue to absorb these cost increases as much as possible. It might be possible to search for further economies in printing and publication costs, particularly if expensive processing was not costed accurately. The bulk purchase of airline tickets might also yield substantial savings.

105. The representative of the Government of Iran associated his delegation with the statement made by Ms. Hartwell on behalf of the Government members and by the representative of the Government of India on behalf of the Asian members, and would therefore confine his comments to general matters at this stage. There was a clear majority in the Governing Body which gave priority to employment and the fight against poverty and the budget document should reflect these priority issues clearly. There were also the issues of the overall amount of the budget, the exchange rate problem and the economic context in which the member States found themselves. These issues should be viewed in the light of

their overall relevance to the Organization and its various activities, and it would be useful to see whether the objectives set for the Organization were maintained and whether the views of the majority of the constituents were duly reflected. By trying to define new functions for international labour standards and by dividing them into first-class and second-class standards, the ILO was calling into question the whole framework within which standards were developed. International labour standards were also falling victim to their increased numbers, although important areas close to the ILO's mandate, such as industrial dispute settlement, were not covered by a particular standard. Furthermore, "soft" legislation, prepared at considerable expense and variously called "guidelines" or "codes of practice" might have questionable practical effects.

106. Over $30 million were to be spent on publications although clearly some did not respond to real needs. He queried the cost benefit of regional conferences and the annual Conference in Geneva, calling for fewer conferences and committees and more result-oriented action. Expanding staff costs limited the ability of the Organization to make major budgetary manoeuvres, while on the other hand technical cooperation received a limited, even decreasing, budget in nominal and real terms, which eroded efforts to build member States' capacity to fight unemployment and promote standards. The active partnership policy, a welcome development, signified a shift to the regions and closer relations with constituents but had resulted in increased expenditure at headquarters. Courage to cut the less relevant activities and to reorient the budget to more responsive areas was required; in this way international labour standards could be promoted and member States helped in developing national capacities for the promotion of social justice and social and economic development. Member States, whatever their economic situation, were paying their contributions to the ILO from funds which could otherwise be used for social and economic development and the fight against poverty. They had the right to question the relevance of the ILO if their expectations were not met.

107. The representative of the Government of Norway endorsed the statement made by the representative of the United Kingdom on behalf of the Government members and expressed general satisfaction with the way the budget was presented and its major objectives. The nominal cost increase was also quite reasonable, although it was still a considerable amount at a time when many member States were forced to cut their own budgets. The exchange rate between the dollar and the Swiss franc might make it difficult to fulfil obligations; this was a matter for concern for the Office as well as the member States and he hoped that the Office would do its utmost to find savings through improved efficiency and productivity. It was surprising to read in the budget Introduction that there was little scope for significant shifts of resources among different programme activities under the constraint of zero real growth. With clear priorities, shifts in resources among activities could take place, by cutting resources to programmes accorded lower priorities. The Director-General should propose shifts in resources to allow for the follow-up to the World Social Summit, in which the ILO would have an important role to play. There were, for instance, insufficient resources allocated to the fight against poverty and unemployment in the budget document.

108. The *World Employment* report was a useful and important document which should be prepared annually, and although the production costs were high, the money was well spent. The substantial reduction in extra-budgetary contributions for development and technical cooperation from $66.5 million to $43.9 million was a matter of grave concern. The reasons for this dramatic fall should be made known as well as ideas for compensating for the loss of extra-budgetary funding. As a final comment he expressed support for the previous speakers who advocated a better evaluation of programmes with a view to improving the effectiveness of the Organization.

109. The representative of the Government of Niger welcomed the clear and accessible presentation of the budget and supported the statement made by the spokesperson for the African members. The budgets foreseen for major programmes 60 (Employment), 250 (Field programmes in Africa) and 125 (Development and technical cooperation) were clearly inadequate in the light of the main objectives of the ILO, particularly those concerned with the fight against poverty, unemployment, discrimination and injustice. The Director-General's proposals accurately described the social and economic situation in Africa and the ILO should be carrying out the full range of its programmes there without delay. The economic situation of African member States made payment of their contributions to the Organization in a timely fashion especially difficult; they needed assurances that the Organization was doing something for their countries. In the case of his own country, devaluation had meant that in order to catch up with arrears in contributions, it had had to pay to the ILO more than the entire budget of the Ministry of Labour. Participation with a four-person tripartite delegation in the Conference and in other ILO activities was expensive and had to be well justified. The obligations of African member States were great compared to their resources and most African countries had obligations towards a number of international financial institutions as well as to the observance of Conventions and standards. It was said that standards did not encourage foreign investment and job creation, but these obligations still had to be respected. The needs of the African member States were no different to those of other regions but they were urgent; the Organization should be offering more assistance.

110. The representative of the Government of Cuba expressed appreciation for the greatly improved layout of the programme and budget proposals and for the recognition by the priority given to the Office of the repeated expressions by Members of the Organization that efforts to control poverty and unemployment should be the overriding priority of the ILO. The texts adopted at the Copenhagen Summit reinforced that view and highlighted the special role the ILO had to play concerning employment and social development. In the light of the outcome of the Copenhagen Summit it was unlikely that the increases allocated to major programme 60 (Employment) were sufficient. The development programmes for enterprises, cooperatives and for upgrading management skills and productivity improvement were of great interest in view of the structural adjustment process that Cuba was now undergoing. On the other hand the increases in member States' assessments caused by exchange rate fluctuations were a serious matter affecting their capacity to pay. Additional savings should be provided in non-priority areas so as to avoid jeopardizing the programme as a whole.

111. The representative of the Government of Mexico appreciated the clear focus given in the Programme and Budget proposals for 1996-97, which reflected the priority themes adopted at the International Labour Conference on the occasion of the 75th anniversary of the ILO. The Organization should be able to meet its constituents' expectations with a concerted campaign aimed at promoting social justice and fighting unemployment. He agreed with the statement made by the spokesperson for the Government members but wished to voice serious concern about the current level of the budget. The prevailing rate of exchange between the Swiss franc and the dollar could produce a 24.5 increase in member States' contributions, for some countries an enormous burden. The Office should search for ways and means to contain budget increases as much as possible. Even though a zero growth budget might impede the Office's ability to respond to demands from member States, under present conditions the ILO, like many member States, had no choice. It was strange, therefore, to see new major programmes being established; these should be included at a later stage or incorporated in other parts of the budget. With these few reservations he was able to support the Programme and Budget proposals for 1996-97.

Statement by the Director-General on the World Summit for Social Development

112. The World Summit for Social Development was held in Copenhagen from 6 to 12 March 1995. In response to requests from members of the Programme, Financial and Administrative Committee to be able to discuss the 1996-97 Programme and Budget proposals in the light of the follow-up planned by the ILO to the Summit, the Director-General made the following statement to the Committee on Wednesday, 22 March 1995.

113. The Director-General made a number of comments on the final document of Copenhagen submitted to the Committee. This document was of interest to the ILO in two areas: that of standards and employment policies. In the forthcoming weeks and months, ways of implementing these provisions in the Declaration of Copenhagen should be examined.

114. There would be two opportunities in the near future to have an in-depth political discussion on the Office's follow-up in this area. The first would be the discussion the following week on the document on basic human rights, which was on the agenda of the Committee on Legal Issues and International Labour Standards.

115. The second would be the discussion by the Governing Body Working Party on the subject of liberalization of international trade and international labour standards. The Director-General recalled that a certain number of States, during the first discussion in November, felt it was inappropriate to link too strictly trade policy and international labour standards; however, a vast majority of others insisted on the need to continue with this work within the ILO and to monitor the ratification and respect of Conventions. The discussion on this item should allow those States who signed the agreements in Copenhagen to point out the ways and means by which the International Labour Organization and the Office might carry out their work in this field.

116. The Director-General summarized his views by making the following observations: (1) the follow-up to Copenhagen in this area was an ILO responsibility; and (2) the Governing Body was authorized, from this session onwards, to establish the guidelines of the new policy to be carried out in this area.

117. The Copenhagen document pointed out in two sentences what might be the methods of follow-up in the area of employment. The first sentence stated that the United Nations General Assembly should request the ILO to contribute to the implementation of the Programme of Action.

118. The second sentence of the document on this matter pointed out that consideration should be given to holding joint meetings of ECOSOC and the Development Committee of the World Bank and the International Monetary Fund. The Secretary-General and the executive heads of the IMF, the World Bank and the ILO, as well as United Nations funds and programmes and other relevant agencies, should consider holding joint meetings to consider the implementation of the Declaration and Programme of Action prior to Development Committee sessions. However a certain vagueness still remained and we had to wait for proposals from the Secretary-General and the decisions from the General Assembly. But it was in the interests of the Office, the Governing Body and the Conference not to remain passive and to make specific suggestions to the Secretary-General on the ways we envisaged best participating in the follow-up work of the United Nations and the coordination between the United Nations and the Bretton Woods institutions.

119. The Copenhagen document called for follow-up action at both the national and the global levels. At the national level, the Office could take the initiative to be the intermediary through which the member States reported to ECOSOC, or the General Assembly, on their employment policies. This was the wish expressed at Copenhagen. From this standpoint, we might advise on the way to prepare such a report, help the States to draft it and, in some cases, assist them in preparing their employment policy. In this way, we might incorporate the work the ILO has been carrying out for several years in the follow-up mechanism called for at Copenhagen. It was suggested in the document submitted to the Governing Body that the latter should endorse this idea and submit its recommendations to the Ministers of Employment and Labour during the Conference.

120. Follow-up at the national level might be supplemented by a follow-up at the global level. The Office could take the initiative and the responsibility to add to its collection of national data a report of worldwide coverage which would be discussed by the ILO bodies, particularly by the International Labour Conference. The two documents would then be transmitted to the relevant United Nations bodies with the backing of the ILO constituents and the support of the Ministers of Employment and Labour — as well as that of the employers' and trade union organizations which would have had the opportunity to discuss them in depth. Concerning the possibility of organizing joint meetings between the IMF, the World Bank and the ILO, the best possible solution would be for the ILO to be appointed by the Secretary-General as the "task manager" of all United Nations institutions as regards follow-up to employment-related matters. The Director-General hoped that the Governing Body would give its opinion on the

role that it wanted to play in the follow-up to Copenhagen and in relations with other United Nations institutions. This point was contained in paragraph 36 of the document the Governing Body would have before it.

121. The Director-General summed up by recalling that there were two areas of follow-up to Copenhagen: the follow-up of international labour standards, which was the specific responsibility of the ILO, and the follow-up to employment-related matters, which was contingent upon the decision of the Secretary-General. He hoped that specific proposals would be made to the Secretary-General on the way to succeed in the follow-up within the United Nations system and with the other institutions — including Bretton Woods — and on the approach which would allow useful and efficient action at the national and global levels. Given the uncertainties which still prevailed as to the timing of the follow-up process and the date it was supposed to start, the Director-General suggested that the funds allocated to the annual employment report in the programme and budget proposals concerning major programme 60 should not be amended but rather earmarked under a separate heading for activities constituting the follow-up to Copenhagen in employment-related matters for the 1996-97 biennium. When decisions were taken by the Secretary-General, we would be able to break the sums down in as adequate a way as possible given that a second *World Employment* report would at all events be published at the appropriate time during the 1996-97 period. If two were needed, we would then be forced to reconsider these allocations.

122. Finally, the Director-General considered that the Summit of Copenhagen was a great success for the ILO. This success was mainly due to the commitment of our constituents in preparations for this Summit. He stressed to what extent the Office felt it had a very great responsibility in the follow-up to the Declaration of Copenhagen and he added that everything would be done to assume fully this responsibility.

Item-by-item discussion of the programme and budget proposals

Major programme 10 — International Labour Conference
Major programme 20 — Governing Body

123. Miss Mackie, speaking for the Employer members, recalled that the Governing Body had worked very hard to reform the functioning of both the Conference and the Governing Body with a view to achieving results at lesser cost. The Employer members therefore felt that there should now be a full and proper evaluation of the extent to which these reforms had achieved the prescribed goals. This evaluation should not limit itself to identifying savings achieved, but also assess whether the changes made had led to real improvements in the functioning of the Conference and of the Governing Body. On both counts the Employers had strong reservations, in particular with regard to the conditions under which they were expected to participate in various simultaneous meetings under the new telescoped timetabling for both the Governing Body and the Conference. Furthermore, the Employers' group had doubts about the effectiveness of having abolished the mid-year session of the Governing Body. As

a result of this, issues that needed to be dealt with and decided upon by the Governing Body had to be set aside for as long as six months and essential consultations between the Governing Body and the Office or recommendations required for consideration by the Conference were similarly either delayed considerably or altogether abandoned. This created the risk of the Governing Body being reduced to a rather complex and expensive form of rubber stamp.

124. Regarding cost, Miss Mackie pointed out that as a result of the streamlining in the presentation of the programme and budget proposals, the budgets shown for the Conference and for the Governing Body no longer identified the total actual costs which were of course substantially greater than those shown under major programmes 10 and 20. Seen in this wider context, the savings realized would obviously appear to be smaller in proportion to the total actual costs.

125. Mr. Tapiola, speaking for the Worker members, agreed that a proper evaluation of the costs and benefits of the reforms should be made in due course. This evaluation should however only be made once enough experience had been gained with the new functioning and, while it should indeed take place in due course, it would be premature to do so at this stage. With regard to savings, he noted that these did amount to $1.36 million despite the fact that additional resources had to be allocated for a Maritime Session of the Conference and this, surely, was not insignificant. Finally, he said that he shared the concern for working conditions of delegates, although the Worker members were prepared to be flexible about their own working conditions if this could help improve the working conditions of wage-earners in general.

126. The representative of the United Kingdom, while welcoming the savings achieved on major programmes 10 and 20, regretted that they had not been even greater having been, unexpectedly, largely consumed by the provision of resources for a Maritime Session of the Conference and by the additional costs of the extra Governing Body members decided upon at the last session. The savings were nevertheless significant overall. Moreover, the reduction in the duration of the sessions had generated considerable savings for national administrations. The United Kingdom representative therefore supported strongly the reforms which she considered to be irreversible. She nevertheless agreed with Miss Mackie that the new scheduling of meetings at the Governing Body had created some difficulties; however there were practical means of overcoming these. First, the work of the Governing Body itself having been lightened, it should be possible to reduce its duration further thereby allowing the scheduling of committee meetings to run into the beginning of the last week of each session. Second, contrary to the spirit of the reforms, committee agendas remained far too heavy and should be slimmed down by eliminating minor and extraneous items and concentrating on major policy issues. She supported the idea of evaluating the reforms and considering further improvements but agreed with Mr. Tapiola that this exercise was not yet timely.

127. A representative of the Director General (the Director of the Relations and Meetings Department), in reply to a request for clarification from Miss Mackie, said that the largest part of the staff costs for the International Labour Conference was for interpretation, namely $4,208,000 over the next

biennium. Of the remainder, $2,904,000 covered other types of staff (additional typing services, committee secretaries, general service support, etc.), and $290,000 were earmarked for the preparation of technical reports.

Major programme 30 — Major regional meetings

128. Miss Mackie, speaking on behalf of the Employer members, said that although the total number of meetings was a matter of concern, some changes had been made to reduce costs and improve the efficiency and value of regional meetings.

129. By the end of the current biennium, a complete cycle of regional meetings would have taken place under the new arrangements which would thus have been fully tested and the new biennium would initiate a new cycle. Time had therefore come for a proper assessment to identify changes which had proved to be successful and those which had been less so. Although certain costs were inevitable in the case of major regional meetings, not all were entirely justified. The costs of travel were very high and she wondered whether the presence of substantial numbers of staff from Geneva at regional meetings was justifiable in all cases or whether all the functions performed were always really indispensable. Recognizing the cooperation provided by host countries in providing staff locally, she submitted that with the creation and development of the MDTs it should be possible to make greater use of qualified and experienced staff posted in the region and thereby reduce the proportion of staff sent from Geneva headquarters.

130. Taking note of the fact that the duration of regional conferences had already been reduced, she did not wish to suggest any further reduction but considered that efforts to make effective use of the time available should continue.

131. Mr. Tapiola, speaking on behalf of the Worker members, agreed with Miss Mackie that a full cycle of regional meetings under the new arrangement having been completed, the time had now come to evaluate these arrangements. He was not convinced that distance from Geneva was necessarily the major factor in the cost of regional meetings. He agreed that more use should be made of staff from the MDTs located in the regions, not only to cut costs but to provide this staff with the opportunity to be more directly involved in the tripartite functioning of the Organization and to make the actual carrying out of these meetings more genuinely regional.

132. The representative of the Government of Germany said that major programme 30 had to be read in conjunction with Information Annex No. 4B, *Breakdown by appropriation line and by object of expenditure*. Although the share of official travel in the overall budget would go down from 4.83 per cent to 4.43 per cent in the next biennium, which was a positive development, there was an increase from 66.5 per cent to 66.6 per cent in the share of official travel under major programme 30. He expressed regret that the figure of $1,995,935 for travel costs in Annex No. 4B did not indicate the proportion spent on staff members whose presence at the regional conferences was indispensable. This criterion was of paramount importance at a time when member States were having difficulties in meeting their financial obligations. He was essentially concerned by the number of staff in the Professional and Director category attending the regional conferences, a number which in his opinion was excessive and could be reduced

without detriment, especially at a time when many member States were having difficulties in meeting their financial obligations. Another possible source of savings was the presence at regional conferences of tripartite delegations of the Governing Body, which he suggested might not be really necessary, since most delegates at regional conferences were fully conversant with the ILO and could carry out their work without recourse to the experience and guidance of the Governing Body delegation.

133. The representative of the Director-General (the Director of the Relations and Meetings Department) said that efforts were being made to make maximum use of staff from the regions, and that for cost purposes the assumption had been made of a ratio of 48 local staff to 67 from headquarters for the next conference in Asia and a ratio of 22 local staff to 64 staff from headquarters for the next conference in the Americas. As regards the increase in travel costs in the 1996-97 biennium, costs were lower for the 1994-95 biennium because of the European Conference, whereas the two conferences scheduled for the next biennium would be held in places relatively distant from Geneva. As regards Governing Body delegations, the cost, which varied slightly between the two regions, was in the order of $26,000 per conference.

134. Mr. Anand (Employer member) said that he disagreed with the suggestion that Governing Body delegations at regional conferences should be discontinued. Critical questions of the interpretation of rules and regulations sometimes arose and the steadfast contribution of the tripartite delegations had been very valuable. Although accommodations might be reached concerning the geographical composition of such delegations, he emphasized that their presence served a useful purpose.

Major programme 40 — General management

135. Miss Mackie, speaking for the Employer members, noted that although major programme 40 on general management was one of the most crucial budget provisions, it was the least appropriate to be subjected to detailed debate in such a large forum. The reorganization that had taken place had affected several officials and they would no doubt be given challenges and responsibilities in their new roles. In the Employers' view the Governing Body had a legitimate interest in understanding the structure of the top management team and it would be useful to include an organizational chart in the budget proposals. Although the ILO had been managed well over the years by its Directors-General and Deputy Directors-General, the Governing Body nevertheless should be kept well informed in this area in view of its interest in ensuring that the responsibilities of the Office were clear, and that there were sufficient and adequate staff to fulfil these responsibilities. Senior management should be assured that the Employers were interested in what they were doing, and would appreciate being consulted when appropriate. The remarks of the Employers were made in a programming rather than budgetary context and were intended to be encouraging rather than critical.

136. Mr. Tapiola, speaking on behalf of the Worker members, agreed that it would be useful to include an organizational chart in the programme and budget, but if there were to be frequent structural changes during the biennium a loose-leaf approach might be necessary. It was not entirely clear to the Workers

whether an evaluation of the general management committee system could usefully be carried out until it had functioned for some time, so it was unlikely that any useful conclusions could be drawn at present.

Major programme 50 — International labour standards

137. Mr. Durling, speaking on behalf of the Employer members, said that the budget proposals for major programme 50 could be improved. He acknowledged that Conventions Nos. 87 and 98 were fundamental for the activity of the Organization. Paragraph 50.14 recognized that ILO standards and principles on freedom of association were vital to the existence and functioning of tripartism and social dialogue, and the efficient work done by the staff of this programme and their high level of dedication were commendable. However, the department was short-staffed. In his opinion, an increase of 2.6 per cent in the financial resources was insufficient in comparison to the increase in the amount of work. He urged that further consideration be given to this increase. He expressed the belief that there was an urgent need to modernize the standard-setting system in order better to meet the needs of modern society, especially since some standards had become obsolete. He felt the need for an in-depth study of all the standards before going any further with developing new instruments, in view of the globalization of the economy. He noted (paragraph 50.8) that no budgetary provision was made for commissions of inquiry to examine complaints received under article 26 of the Constitution and was concerned by this decision, especially given the recent sharp increase in the number of ratifications.

138. With regard to the references in paragraphs 50.19 to 50.22 to the Indigenous and Tribal Peoples Convention, 1989 (No. 169), he called for caution to be exercised in promoting this Convention in Eastern Europe, which was a very sensitive region with a potentially explosive ethnic situation. The mistakes made in other regions, particularly in the Americas, had to be avoided. The proposals contained in paragraph 50.20, concerning the training of judges and the social partners, equality issues, equal remuneration, sexual harassment and unjustified dismissal of HIV/AIDS victims, were very topical and emotional issues. Reform and change were needed in the administration of justice, and in some cases the judicial systems of certain countries had to be dismantled in order to introduce systems of justice which provided for impartial, transparent and expeditious handling of cases dealing with individual and collective disputes which emerged. These legal systems should be reviewed, and he recommended the publication of materials in which the drawbacks to such systems were highlighted and where possible ways of solving the problems inherent were offered.

139. He noted with regret from paragraph 50.28 that the publication of *Labour Law Documents* would cease during the 1996-97 biennium and be replaced by electronic information dissemination methods. The decision may have been somewhat hasty as the action proposed might not meet the needs of constituents. Although he was in favour of technological change, he recognized that not everyone was inclined to use computers, or had access to them. He urged the Department to conduct a survey in order to obtain reliable information on the programmes and equipment available to ILO constituents. He recommended continuing with the printed version and offering diskettes to those who requested

them, until the demand for the computerized version was equal to or exceeded the demand for the printed version. He concluded by congratulating the Department on publishing the *Digest of decisions* of the Committee on Freedom of Association, fulfilling a need which had existed for a decade.

140. Mr. Gray, speaking on behalf of the Worker members, reiterated in the strongest terms the absolute priority the Workers attached to standards-related activities and hence to this major programme. However, in their opinion, a number of the activities proposed did not quite measure up. The first point was the concern of the Workers at the very modest increase proposed for this programme, only 2.6 per cent, which was less than the increases given to almost all of the other major headquarters technical programmes. This was simply not acceptable for such an important programme.

141. There was a misconception that this major programme should be responsible only for meeting the ILO's constitutional obligations of supervision of standards and for little else. This totally ignored what the Workers felt to be the vital and clearly unresourced promotional and technical advisory functions. There were some questions as to the capacity of the major programme to meet even the basic constitutional obligations, particularly with respect to the changes in the reporting procedures for ratified standards agreed by the Governing Body in November 1993. Paragraph 50.4 said that the reduced administrative load resulting from the changes would enable the supervisory system to deal with the recent sharp increase in the number of ratifications, and paragraph 50.9 stated that these very same changes would allow more resources to be devoted to promotional activities. If not wholly irreconcilable, these two statements simply did not fit comfortably together. More importantly, there should be no misconception over the fact that the November 1993 changes were motivated in the first place by a shortage of resources available to the supervisory machinery, and any such shortage would have to be made good from extra-budgetary sources.

142. More importantly, it should be recalled that the Workers' acceptance of the November 1993 changes was conditional on the clear and explicit understanding that they would be accompanied by substantial efforts to provide advice and assistance to trade unions so that they would be in a position to respond fully to the extra demands placed upon them by the new reporting system. There was no indication that this firm commitment by the Office had been honoured in the proposals under consideration. Indeed, so far as comparison was possible, resources available for promotional and technical cooperation had been increased only marginally and certainly not on the scale that the Workers could accept as being commensurate with the new challenges posed and, in particular, by the coming into full operation of the active partnership policy. He found it difficult to understand why RBTC allocations had been reduced, albeit marginally.

143. This major programme had primary if not exclusive responsibility for maintaining the link between technical cooperation and standards. The active partnership policy made this a very much more complex and burdensome task. However the human and financial resources available for this task had remained unchanged, which was neither realistic nor reasonable. In addition, as mentioned in other general comments, the Workers would like more detailed information on how this critically important task would be carried out and how this major

programme complemented others. Within the overall priority attached to standards as a whole, the absolute importance to trade unions of freedom of association was self-evident, and the particular efforts being made to encourage ratification of the Conventions concerning freedom of association, as stated in paragraph 40 of the Director-General's introduction, was welcome. This was reflected in an increase of about US$392,000 in resources to the Freedom of association programme (50.3). However, the Workers considered this to be inadequate and wished to see considerable extra resources made available to it. Their concern in this regard arose from a recognition of the substantial increase in the workload of the branch, as a consequence of the growing number and complexity of cases coming before the Committee on Freedom of Association. This inevitably detracted considerably from the programme's capacity to meet the corresponding increase in demands placed upon it for advisory services and technical cooperation. At least 30 such requests could not be met during the last biennium for lack of staff resources, and he requested that two additional Professional years be allocated to the branch.

144. The comment in paragraph 50.5 that the resources of this programme were reduced because of the elimination of apartheid in South Africa and political changes in the occupied Arab territories might be justified, but had to be understood in their context. In fact this did not signify a falling off of ILO interest in or commitment to these situations but rather a shifting of emphasis in the type of activity it would undertake, as reflected in paragraph 50.22. Positive developments in these two cases should not hide the harsh fact that discrimination was on the increase in many parts of the world and remained a reality for women workers in practically all countries. For these reasons the proposals concerning national machinery for promoting equality between men and women, and for labour courts and industrial tribunals, both merited support. Practically the only reference in the whole of the programme and budget proposals to activities related to HIV/AIDS was contained in this major programme, though this was a subject to which the ILO should be giving substantial attention.

145. On the broader question of general human rights coordination, the Workers supported the overall objective of promoting the ILO's principles and concerns in the work of other international organizations, the most obvious one being the United Nations Centre for Human Rights. As stated, the priority had to be that of promoting workers' rights as human rights. The international trade union movement had been severely disappointed by the absence of follow-up to the 1993 World Conference on Human Rights. If the ILO was to have an impact on the rather chaotic world of United Nations human rights work, then it must carefully target its interventions in strategic areas, especially on migrant workers, child labour and forced labour, and freedom of association, where it had undisputed expertise and competence. It was disappointing to the Workers that no reference was made to, nor specific activities planned for, the elimination of forced labour, an area of unparalleled abuse and exploitation in which the ILO simply could not remain inactive. He had little comment in respect of the programme on Labour law information (50.5), except to note the importance of the task of collecting and disseminating the information concerned. He asked if the Office had made any assessment of the extent to which ILOLEX and NATLEX were used by ILO constituents, especially in view of the proposal to discontinue the publication of *Labour Law Documents*. There was a danger of

cutting off an important source of printed information for which demand in developing countries remained important.

146. In paragraph 50.12 there was a reference to the responsibilities of this major programme in the examination of labour legislation in response to requests from governments. This raised two important points. The first was the right of the trade unions and employers' organizations as well as governments to benefit from such advisory services, which the Workers' group now took as being established. The second was the respective roles of major programmes 50 and 80 in this field, to which the Worker members would return in the discussion of the latter programme. The Workers wondered how new proposals emanating from the Governing Body debate on the future of standards would be implemented in the course of the biennium, as there was no budgetary provision to follow up on its outcome. They proposed that an action programme be undertaken by this major programme with the title "Promotion of fundamental human rights standards", its objectives being the universal ratification of Conventions Nos. 87 and 98, 29 and 105, 100 and 111, and 138. Acceptance of the general principle should be followed by further elaboration of its precise content. As a final comment, he pointed out that there had been a great deal of talk about the fact that standards were too complicated and they needed to be generalized in content. The Workers believed that in order to be meaningful any standard must set a goal to reach, which would represent a measurable achievement.

147. Miss Hak, speaking in her capacity as the Employer Vice-Chairman of the Committee on Legal Issues and International Labour Standards, explained that that Committee had started in November 1994 a discussion on the future of standards, including both new standards and the revision of existing ones. At the present session, the Committee's discussion would focus in particular on the revision of standards and the promotion of basic human rights. In the programme and budget proposals, there was however no special provision for the implementation of any decisions that would be made by the Committee. This was regrettable, as the Employers attached great importance to the ongoing discussions on the future of standard setting. She urged the Director-General to make more staff available to the department so that it would be able to comply with the demands that would be made on it in the near future. At present, the department seemed already understaffed.

148. She expressed surprise at the paragraphs which mentioned a special plan of action for South Africa, as the LILS Committee of the Governing Body had decided last November that a separate discussion on the issue would be held for the last time at the present session. The Committee was also to discuss a paper on the coordination of ILO activities concerning human rights with other UN agencies. The Office had indicated in the paper that such coordination was not always fruitful. This raised the question of why the ILO should continue with activities that had little or no impact. It would be preferable for the ILO to focus its activities on the tremendous problems of child labour and forced labour.

149. The representative of the Government of Brazil referred to paragraph 50.19 and expressed some confusion that discrimination in employment and indigenous and tribal peoples were mentioned in the same paragraph. He further explained that there was a lot of discussion in Brazil as to what should be done

for indigenous peoples, whether they should be kept separate or integrated into society. The way this paragraph was worded could give rise to the idea that indigenous peoples should be integrated into mainstream society almost by force, and he recommended either that there be a special paragraph on this issue, or that it be deleted entirely.

150. On the question of freedom of association, he pointed out that in his country workers' and employers' organizations preferred to have a single trade union. They had worked very hard when adopting the latest Constitution to ensure that a single trade union organization was a principle included in the Constitution, whereas the new Government had wanted to see plurality. It was therefore not a question of an obstacle put up politically by the authorities, but the result of an attitude by workers' and employers' organizations.

151. The representative of the Government of Germany agreed with Mr. Gray that this was one of the most important major programmes, as reflected by the fact that it ranked in eighth position in resources among the programmes in the Office. He also agreed with the previous speakers who said that the staffing of this major programme was insufficient. However, the difficulty with this was to indicate where cuts should be made in other major programmes to pay for any increases. An explosion had taken place in the past few years in the number of ratifications, many of which were on the part of States that had been newly created and were now declaring their intention to take over the obligations of the previous State. This created an additional burden for the Office in the number of reports being submitted. He further stated that the reforms decided upon by the Governing Body had resulted in a slight reduction in this particular activity. He expressed concern over the fact that the treatment of representations under article 24 was cited in three different places in the text: under programmes 50.2, 50.3 and 50.4. He was not convinced of the necessity to make distinctions between representations submitted under all the different Conventions.

152. He agreed with Mr. Durling's comment on *Labour Law Documents* continuing to appear in printed form, or at least the need to have some kind of written catalogue or index made available. He also concurred with Mr. Durling that the paragraph on Convention No. 169 relating to indigenous peoples should not be taken as a yardstick for the countries of Eastern Europe. He understood that in Europe the only peoples to whom this Convention actually applied were those in the north of Norway and Finland, though there might be others elsewhere. Convention No. 169 had nothing to do with ethnic minorities and that should be clearly stated. He also understood the objections of the representative of the Government of Brazil on placing this issue in the section on discrimination. The major difference between Convention No. 169 and the old Convention No. 107 was that the latter had an integrationist approach, to the effect that these peoples should be integrated into the nations in which they were living. In Convention No. 169 the idea was to move away from this integrationist approach.

153. He shared the opinion expressed by Miss Hak that it was unfortunate that certain points which were to be discussed in the LILS Committee were not yet taken into account, but to do so could be seen as pre-empting the results of that Committee. He believed that there was flexibility for that Committee to make

decisions, which could be taken into account by the Governing Body in the present biennium and not have to await the 1998-99 biennium.

154. The representative of the Government of the United Kingdom expressed his Government's appreciation for the efforts that were being made to adapt this major programme to the needs of a changing world. Standards represented one of the main pillars supporting the priority objectives of the ILO, and indeed the Standards Department had been bearing an increasingly heavy workload. When such a pillar threatened to crumble, there were two options: to prop it up or to replace it. The time had come for a new standards pillar to carry the Organization forward into the twenty-first century.

155. The last 12 months had seen essentially cosmetic changes to the reporting cycle, intended to relieve the burden on the Office, but in fact the time had come for a fundamental reform — a message which his Government been promoting for some time. They were pleased that the programme and budget proposals did refer specifically to the debate on the future of standard setting, and to the need to continue to enhance its relevance and effectiveness. The direction of that reform would become clearer in the course of the debate in the Committee on Legal Issues and International Labour Standards. However, it was perhaps disappointing that the budget proposals did not envisage any effective structural changes for this department arising out of those reforms in the coming biennium. For instance, the United Kingdom would in general like to see a move away from work on identifying new topics for standard setting towards a revision of existing standards. It was also disappointed that there were no benefits envisaged from the changes to the reporting cycle being introduced this year; the changes had been designed to reduce the burden for all concerned, including the Office. Resources liberated as a result of the changes introduced this year, and from the elimination of apartheid in South Africa, might have offset the need for additional resources to cover the supervision of the freedom of association standards.

156. Thought should be given to further ways of finding savings in the area of the supervision of standards, and to the possibility of reducing the burden of reporting further, by simplifying the questionnaires on the application of ratified standards, particularly those which currently resulted in excessively onerous reporting requirements. The Office might also encourage the Experts to reduce the number of requests that they issued for additional information. It might also be fruitful to examine critically the role of the supervisory bodies. Although not pressing for cuts in current resource levels, he expressed concern that this department had high and still increasing staff resources which did not appear to be necessary for greater efficiency, but merely as a means of maintaining existing activities.

157. While the proposals urged that greater emphasis be placed on the promotion of standards, it still seemed that, in practice, the emphasis was placed primarily on supervisory functions, and he wondered whether this focus was right. Perhaps more time should be spent on encouraging those countries which had not yet ratified Conventions to do so, rather than examining in unnecessary detail the situation in those countries which had. He welcomed the intention to assist member States to identify priorities in relation to ILO Conventions, particularly if that meant that the Office would be encouraging the Experts to

prioritize in a similar fashion, concentrating on serious human rights abuses rather than on minor technical problems. He welcomed the intention to promote better and more effective links between technical programmes and the observance of standards as well as the continued development of electronic information dissemination methods, but hoped that the Office could provide reassurance that in the long term savings would result from this development.

158. Finally, he wished to assure the Office that his Government would continue to lend its full support to the promotion of human rights through the Organization. The aims of this programme were laudable and efforts to reform this area should result in a standards policy which strengthened the Organization and earned it the degree of respect it deserved.

159. The representative of the Government of Kenya expressed support for this major programme, and entirely agreed that international labour standards were the cornerstone of the ILO's efforts to promote social justice. The objectives of this major programme should continue to be the broad acceptance and observance of the ILO's principles and standards through an ongoing dialogue with the constituents, designed to remind them of their obligations with regard to ratified Conventions, and under the ILO Constitution in general. Under this major programme, therefore, the ILO should be able to establish a clear link between the granting of technical cooperation and the implementation of labour standards. The ILO should also assume a definite advisory role in order to promote the implementation of standards, rather than concentrating on infringements of standards which were often due to economic, political and financial difficulties, and not to a deliberate intention to violate them. The work of this major programme also included responsibility for coordinating the development of new standards and the revision of existing ones. Priority should be given to the revision of easily ratifiable and adaptable ILO standards. His Government had always been impressed by the high quality of the work done by the ILO on standards and, for this reason, was delighted to note that resources for this major programme, although still insufficient, had been increased in order to ensure that its work was not hampered.

160. The representative of the Government of the United States agreed with the positive comments made by previous speakers. He drew the Committee's attention to the fact that, in Copenhagen, the Heads of State adopted documents calling for a specific commitment to safeguarding workers' rights and promoting respect for the relevant ILO Conventions. The Director-General would no doubt be proposing some ILO initiatives in this area, but he would expect member States also to take them seriously and request ILO assistance for information and for further work to follow up on those commitments. In order for this Organization to maintain and enhance its credibility in the world community, it was necessary to ensure that sufficient resources were made available to respond to all such initiatives, whether from the ILO budget or from outside sources.

161. The representative of the Government of Norway considered this to be one of the most important major programmes and welcomed the increase in resources in order to deal with the increased workload and new tasks contained in the programmes on freedom of association and labour law information. The development and consolidation of links between technical cooperation and

standards and efforts to promote widespread implementation and ratification were activities deserving the fullest support. He endorsed the priority given to the preparation of general surveys and promotional activities, and stressed the importance of assisting constituents in the application of ILO standards and principles on equality, and the incorporation of fundamental human rights in national labour laws. Even if the issue of apartheid was no longer part of the ILO agenda, the increase in the workload of this major programme would be considerable, possibly greater than the increase in resources proposed. This did not necessarily mean that the resources should be increased further. It could even mean that the workload should be eased, for instance by introducing more rational procedures for the supervision of the application of standards. He supported the Workers' proposals for an action programme on the promotion of human rights standards, and hoped that this proposal would be considered by the Office.

162. The representative of the Government of the Russian Federation said that his Government was in favour of this programme which represented one of the most important aspects of the work of the ILO. Commenting on the examination of complaints under the freedom of association programme, he said that not all complaints submitted merited such examination. Unfortunately, specific proof of violation of trade union rights was not always submitted, and the department needed to proceed with greater caution in assessing the assertions made by complainants. Otherwise the ILO might be swamped by an avalanche of complaints from trade union organizations in relation to a particular country, many of which might not be directly linked to real circumstances of violations of freedom of association. He agreed with previous speakers who had referred to the Indigenous and Tribal Peoples Convention, 1989 (No. 169), and the need for the Office to show caution in this respect. There were potential dangers involved in the promotion of the application of this Convention to Eastern Europe and parts of the Russian Federation. The process might have unpredictable or even very negative consequences. Many ethnic minorities did indeed invoke this Convention in the pursuit of their interests, but he did not think that the disintegration taking place in certain parts of Europe would prove to be in the interests of the Organization.

163. Mr. Tapiola, speaking on behalf of the Worker members, referred to the statement made by the United Kingdom Government representative. The LILS Committee had been moving ahead in a balanced way on the reform of the Conference and of the Governing Body, but now there was a proposal that would again start changing the supervisory machinery before the earlier agreed changes had even come into effect. He did not feel that this was a useful approach. Commenting on another remark by the same speaker, he said that cases concerning questions of human rights Conventions necessarily called for a certain level of detail, which was unavoidable if decisions were to be just and equitable. He also assured the representative of the Government of the Russian Federation that there was no discriminatory process whereby certain complaints could be just left aside. It was up to the Committee on Freedom of Association to decide how to proceed in each case, following a full, thorough, sensible, and serene discussion. He was concerned that this fundamental aspect of the ILO's activities should not be weakened; if further information was needed on how the system

functioned, perhaps resources should be directed to informing governments in this area.

164. Mr. Bargas (Worker member), responding to a comment made by an earlier speaker, said that his organization, which was the biggest trade union organization in Brazil, had always upheld the principle of trade union plurality. Perhaps the organizations which took an opposite position were those which had always enjoyed state protection.

165. The representative of the Director-General (the Director of the International Labour Standards Department) thanked all those who had participated in the discussion. The comments and indeed the criticisms would help the department to improve the way in which it did its work. Replying to the statement made by the spokesman for the Employer members on modernizing the standard-setting system, and in view of the discussion taking place in the LILS Committee on the future standard-setting policy of the Organization, it would not be appropriate for him to comment on this subject here. Referring to the fact that there were no resources provided for procedures under article 26 of the Constitution, he pointed out that this was the usual budgetary technique employed in this case. It was impossible to foresee the number of complaints which would be submitted in a biennium and therefore it was equally impossible to make the necessary budgetary provision. However, each time there had been a complaint under article 26 of the Constitution, the Governing Body had voted a special financial allocation for the purpose, which had allowed for great flexibility in dealing with this question.

166. Various speakers had referred to paragraph 50.21 and particularly the reference therein to indigenous and tribal peoples and ethnic minorities, including those in Eastern Europe. He explained that Convention No. 169 did refer to a particular kind of ethnic minorities, which are indigenous or tribal peoples. The Office had received various requests for technical assistance, including from the Russian Federation, and was working with that country's Ministry of Labour on this issue. He assured the Committee that the objective of Convention No. 169 was not to increase tension caused by the position of indigenous or tribal peoples, but rather to reduce such tension. It was obvious that the paragraph as currently worded did cause difficulty and it would be clarified.

167. Turning to paragraph 50.20, he pointed out that measures were taken to promote ILO standards and procedures through parliaments, legal systems and universities, and the Office received quite frequent requests for assistance in this area. While a shortage of resources meant that not all requests could be met, he hoped that more could be done in the future. This activity covered the preparation and distribution of teaching materials. Paragraph 50.28 referred to the proposal that the publication of *Labour Law Documents* would cease in 1996-97, but this did not mean that the Office would not satisfy requests for written texts. The representative of the Government of Germany had made a proposal which might prove to be an excellent compromise solution, and which the Office would consider carefully. The representative of the Worker members had raised the problem of the inadequacy of available resources, despite the increase in the department's budget of half a million dollars. He pointed out that 708 new ratifications had been received between 1 January 1992 and 22 February 1995,

and 20 member States had joined the ILO during the same period. This gave rise to a substantial increase in the department's workload. As Mr. Oechslin had remarked, the Committee on Freedom of Association had on several recent occasions beaten its previous record in terms of number of cases handled. While the introduction of the new procedures should result in a reduction in the number of reports, in no way should it lead to a reduction in the quality of the system or its supervisory activities.

168. The Office would examine the proposal made to strengthen the freedom of association programme. He assured the Committee that the promise to increase technical assistance, particularly to workers' organizations, as part of the new procedures, would be kept. Mr. Gray had pointed out that a number of requests for technical assistance made by workers' organizations had not been met by the department. This had happened in connection with requests from governments as well, and was always a cause for great regret, and every effort was made to respond positively to such requests. Commenting on a point raised by the United Kingdom Government representative, he repeated that three processes of reorganization were being undertaken: an internal reorganization, the reorganization of procedures, and the reorganization which would emerge from the LILS Committee in deciding on the ILO's policy with respect to standards over the next few years. The programme and budget proposals did not provide for what might happen as a consequence of decisions taken by the LILS Committee because it was not yet known what decisions it would take. The decisions adopted by the Governing Body would have the necessary financing. The other points made by various speakers would also receive very careful consideration.

Major programme 60 — Employment

169. The representative of the Government of the Philippines said that for several countries like her own employment and the plight of migrant workers were closely linked. She fully supported the activities proposed in this major programme and suggested that the ILO explore ways of dealing more directly with the problems of migrant workers, both at the national and international levels. Even in countries which had a record of rapid growth, economic progress could be threatened by a continuing disparity between the skills of the workforce and the jobs available. The tripartite meeting of experts proposed in the programme and budget document was a move in the right direction, but it would be the authorities at the national, regional and international levels which would make the decisions affecting the standard of living for the world's labour force. The ILO should do much more in this area because it was uniquely placed to deal with the problems of migrant workers. She particularly supported the ILO's participation at the recent World Summit for Social Development and its efforts to see that the problems of migrant workers were discussed. In concluding, she urged the ILO to continue its search for ways to improve the lot of migrant workers. She was sure that the Employers and Workers would lend their support to these activities, because the continued exploitation of migrant workers would ultimately be a threat to world peace.

170. Mr. Katz, speaking for the Employer members, said that the statement made that morning by the Director-General on the follow-up to the Copenhagen

Summit in the area of employment affected Employers' consideration of this major programme. It was not possible to deal intelligently with this programme without considering that statement and raising some basic questions as to how the Organization would work on this subject in the future.

171. The Director-General had indicated how the ILO could take action at the national and the international levels. Indeed, the objectives stated in major programme 60 were to enable the ILO to play an enhanced role in international discussions on the issues related to that programme, to help the tripartite constituency understand the causes, dynamics and policies related to unemployment and employment, and to create and design policies based on consensus and built on tripartite dialogue. The words cited by the Director-General, giving the ILO a special role, stressed notably the mandate and expertise of the Organization and its tripartite structure. While the Employers were gratified by the heightened priority of employment before and after the Copenhagen Summit, and were in principle sympathetic to the proposed 39 per cent increase in resources, their basic question was how the tripartite structure of the ILO would function in the carrying out of those employment programmes.

172. Tripartism was the ILO's mantra and the basis for the legitimacy of its policies. He wondered what policies the Office would be advocating in its national-level work and in the international discussions mentioned by the Director-General. Were these views to be his views, taken on his own responsibility, as in the employment report, or were they to be tripartite views? In the case of the Copenhagen Summit, the ILO had worked in a tripartite fashion; there was a working party and agreement was reached on a number of fundamental points. Most of the Office's own submissions to the Preparatory Committee essentially reflected tripartite agreement. The Director-General's statement at the Copenhagen Summit, although not previously vetted with representatives of the tripartite parties, also reflected broad tripartite agreement.

173. The *World Employment 1995* report, released just prior to the Summit, was the Director-General's own document. It was, as Mr. Oechslin had said earlier, ambiguous in its presentation, although Miss Hartwell had pointed out that this could be easily corrected in future editions. But, much more fundamentally, while it contained many good things that represented progress in the Office's thinking, it also contained a number of conclusions with which the Employers' group disagreed and which appeared to be addressed to refuting some of the prevailing wisdom as laid out, among others, in the European Commission's White Paper, the OECD job study, the Detroit Jobs Conference, and the thinking of the Bretton Woods institutions.

174. He was not surprised about the Workers' general satisfaction with the result. But, a little more surprisingly in his view, some of the Governments had indicated that despite some reservations or problems with the report, they were generally delighted that the Director-General had taken the initiative and raised the profile of the Organization. He felt that the showbiz statement that: "It doesn't matter what you say about me in the press as long as you spell my name right!" fitted the situation.

175. Although he did not wish to express his views on the report, as Employers expected to be given a chance to comment on it in the plenary or

elsewhere in that session of the Governing Body, he felt it raised a serious problem of how the Organization would work on this important major programme and related activities in the future.

176. He agreed with Mr. Chotard that any such report had to be the report of the Director-General, as on such sensitive issues there was very little chance of reaching a consensus on the details. However, much more importantly, policy conclusions of the document should reflect the *distilled wisdom* of the Organization, and should inform on the work of the Office in pursuing both its international and national objectives.

177. He referred to paragraph 60.11, which indicated that the Governing Body and the Conference would undertake regular examinations after its publication, and to the Office's paper on follow-up to the Social Summit, that talked of discussions in the Governing Body, and/or the Conference, on the main issues dealt with in the report, also pointing out that in the French version of the latter document, "and/or" had been translated by "or". He noted, further, that the Director-General's statement mentioned only discussions in the Conference. On behalf of the Employers, he stated very formally that this was not tripartism. Rather, it was a prescription for the Office and the Director-General to pursue their or his own policies. Although the Employers did not expect a future report to be a tripartite document, they thought there should be at least tripartite examination and consultation both on the analysis and especially on the main conclusions before its publication.

178. It was on the body of policy conclusions that there should be an attempt to reach tripartite agreement, as had occurred in the run-up to the Copenhagen Summit. That was also how the Employment Committee worked, fairly satisfactorily, in the years following the 1987 High-Level Meeting. He had expected that the Director-General's statement on the follow-up, or the text of major programme 60, would have mentioned its accomplishments or at the very least its existence in more than a passing fashion. The Employers believed that the Employment Committee was the designated forum for striving for tripartite agreement on policy conclusions related to employment. Areas of tripartite disagreement which were likely to appear on a number of issues, should be clearly indicated in the public output. But more importantly, he stressed, the Director-General should not advocate policy positions either nationally or internationally on behalf of the *Organization* which had not been authorized by the Governing Body. Proceeding otherwise would make a mockery of tripartism, as well as undermine the authority of the Organization. The reputation of the ILO would suffer if any one of its tripartite constituents publicly opposed the policies advocated by the Office, either nationally or internationally. It would make it readily clear both to the national and international authorities, which the constituents sought to influence, that these were not tripartite views; that they were not the views of the International Labour Organization. Nor would it serve the prestige of the Organization if in the future governments took contrary policy views in other forums, especially those forums in which the Director-General hoped to have an impact.

179. The way of proceeding on the follow-up to Copenhagen would be crucial for the future development of the ILO and would largely determine the

views of the Employers' group and on the major increase in resources proposed by the Director-General.

180. He did not wish to comment on the detailed formulations in the text of major programme 60 which, on the whole, he considered a good chapter. It was far more important to concentrate on how the programme, in its deepest sense, should be implemented so as to achieve an efficient and effective follow-up to the Copenhagen Summit, which was a common goal.

181. Employers were sympathetic to the proposed 39 per cent increase. They also saw the logic in the Director-General's suggestion to set aside $3.7 million for support to the Copenhagen Summit follow-up. Although they wondered about the origin of the resources for the first *World Employment* report and whether they justified the $3.7 million quoted in the budget, they believed that the proposal made by the Director-General to set this money aside was eminently sensible. This money could be spent either on the preparation of one or two subsequent issues of the *World Employment* report and/or on the procedures he had proposed that morning, such as a monitoring and reporting system to enable a regular assessment of the progress made by countries and their efforts to achieve the goals set forth in the Copenhagen Declaration and Programme of Action. But the release of these funds should be approved by the Governing Body, presumably with the concurrence of the PFAC and the Employment Committee.

182. Concerning country reports, it appeared to be worth combining them with the country studies and examinations suggested in the paper on procedural follow-up to the discussion of the social aspects of trade liberalization. The Employers' group intended to present their views on this in the Governing Body's discussion of that issue. They were very interesting ideas deserving further discussion in the Governing Body.

183. Mr. Tapiola, speaking for the Worker members, observed that when preparations for the programme and budget proposals started the ILO logically did not know what the exact outcome of the Summit would be. However, it knew that it would take place and that the ILO would need to play a role in its follow-up and naturally various elements in different major programmes made reference to the Summit. The Workers' group was thus puzzled by the turn which the discussion on follow-up had now taken. At the beginning, the Summit preparatory process and work in the ILO were rather separate matters, but then a resolution adopted by the Conference in 1994 brought them together.

184. The Summit had been a success. However, the ILO should not wait to see what would happen during the follow-up to the Summit to decide upon its own action. Workers were troubled and expressed strong reservations against such a standstill. They did not believe that for instance the governing bodies of the International Monetary Fund or the World Bank were reacting similarly. The ILO should signal now that it would do what it knew how to do best in each field of its competence. This seemed to be the only interpretation to be given to paragraph 27 of the report on the World Summit for Social Development, which indicated that the Summit requested "the International Labour Organization which, because of its mandate, tripartite structures and expertise, has a special role to play in the field of employment and social development, to contribute to the implementation

of the Programme of Action". A waiting stance would not enhance the ILO's role in the international community.

185. Workers also pointed out that they never thought of the *World Employment* report as a follow-up to the Summit, but rather as a follow-up to the Organization's own discussions at its 75th anniversary Conference. The Director-General had referred to that report in his reply to the Conference, indicating that the success of the Ministerial Meeting of 10 June 1994, which was a tripartite meeting attended by numerous ministers, had strengthened his conviction that it would be useful for the Office to draft an annual report containing an analysis of the employment situation around the world and the effects of economic and financial policies. This issue was raised at the Governing Body session following that Conference, and various participants agreed that the ILO should undertake follow-up work on employment. He doubted that Governing Body members were unaware that a report was being prepared, and had not heard any members speak against such a report. The *World Employment* report, he reiterated, was not the follow-up of Copenhagen, but an ILO activity. So Workers could not understand why resources should be taken away from the report and be instead allocated to an unspecified follow-up of the Summit. In the summer of 1994, there was a clear understanding that the follow-up of the 75th anniversary, the ILO's own anniversary, would cover employment, including the *World Employment* report, standards, technical cooperation, and the discussion on the social dimensions of international trade. Voicing, again, concern about the confusion between the two follow-ups, he hoped that the political aspects could be clarified in the debate in the Governing Body but the financial and programme implications had to be dealt with in the present Committee.

186. As regards the usefulness of the report, he felt that through it the ILO entered a market where other institutions already operated. He mentioned as examples the OECD, whose *Economic Outlook* constituted a trademark of the organization and which also had an *Employment Outlook* annual; and the World Bank and the International Monetary Fund, which both issued their own reports. He considered that there was clearly a demand for an ILO report, and thus a good chance to succeed in that market. This report could then become the basis for discussions, both internally and externally, for instance with the Bretton Woods institutions. Concerning the format of the report, he indicated that both the volume and the content could vary, but it should be a yearly publication if the ILO wanted to remain in that market and make an impact. Thus, he concluded, an annual *World Employment* report might be a useful element for the outcome of the Summit, but it was primarily needed for the purposes he had been outlining and on which there seemed to be very few divergent views.

187. On major programme 60, he first noted that no follow-up was foreseen for the Second High-Level Meeting on Structural Adjustment and Employment or for the debate in the Governing Body Working Party on the Social Aspects of Liberalization of International Trade.

188. Considering more closely the programme, he pointed out that the national-level activities set out in paragraph 60.3 failed to make reference to the aggregate demand and appropriate fiscal and monetary policies needed as primary

instruments of employment policy. Active labour market policies were useful, but their potential results depended on other kinds of policy decisions.

189. In paragraph 60.5, the link between employment creation and standards was only briefly mentioned, which was regrettable as the ILO should be at the forefront in advancing the case for jobs that respected standards and rebutting the simplistic presumption that there was a trade-off between the two. The ILO had been doing valuable work in that field, but that work did not seem to have carried through.

190. The Workers' group identified with the priority issues in paragraph 60.16, on employment strategies and policies, and with the objectives set out in the following paragraph to strengthen the ILO's role in international employment strategies. However, both in major programme 60 and in others, a much stronger approach on globalization and regional integration issues was needed to achieve such objectives.

191. The Workers expressed satisfaction and support for the action programme on youth unemployment, although others could also be considered. He suggested regional integration; an issue of interest to many constituents. Such an action programme could focus on the institutional arrangements that were, or should be, established in different integration processes, so as to ascertain their impact on labour and social issues and the role which the ILO could play. Another issue for an action programme could be globalization and regional integration. Paragraph 60.16 mentioned the importance of "... the implications of the relocation of production for the global distribution of jobs and skills and the employment effects of increased interdependence". He proposed considering, for instance, a number of specific cases of relocation to identify the factors behind that decision and draw conclusions from them.

192. Under the heading of "National employment policies", there was a rather vague commitment to assist constituents in questions concerning structural adjustment and market liberalization. Trade unions would also benefit from assistance and this had to be seen as one component of a much wider ILO strategy. In general, discussions about national employment policies were easily limited to what governments should do; it was easy to overlook that the employers' and workers' organizations were also ILO constituents and should be involved.

193. As regards labour market policies, the Workers saw the introduction to that programme as potentially dangerous and somewhat confused. Paragraph 60.27 indicated that active labour market policies offered a viable alternative to traditional macroeconomic policies where these had demonstrated their failure to generate enough jobs. This, they felt, was a serious misconception. Active labour market policies deserved support, but needed to be operated within an appropriate macro-policy framework. They could improve the outcome but not replace it. In paragraph 60.36, on the design and implementation of labour market policies, the identification of "... appropriately structured modules suited to different types of jobseekers ..." again seemed to reflect a misunderstanding about the real nature of active labour market policies.

194. Workers attached considerable importance to paragraph 60.4 on migration for employment, and there had been an important statement made that

morning by the Committee Chairman in her capacity as representative of her country. Her proposals rightly emphasized the gravity of the problem faced by a large and a growing part of the workforce. Migrant workers were subject to some of the worst forms of exploitation in the world. Workers generally supported the programme, but felt frustrated that the ILO apparently could still not address directly and effectively the most flagrant abuses to which migrant workers were subjected. The ILO should try to continue to correct that situation and elicit more political will to that end. In 1992 the Conference adopted a resolution on migrant workers, calling on the Director-General to present to the Governing Body a report on the conditions of those workers and to make proposals for action where those conditions were not in conformity with relevant ILO standards. That had not been done.

195. The Workers' group recognized the value of continued work to increase national capacities in sending and receiving countries, with a view to improving the protection of migrant workers. This, together with promotion of standards, was a major objective of the interdepartmental project (1994-95). They welcomed, in particular, trade unions being explicitly identified as recipients of advice and as partners in cooperation. In sending and receiving countries, where a positive political predisposition existed, helping in the formulation and implementation of more adequate policies for the protection of migrant workers was more important. However, the more fundamental challenge occurred where governments had no other interest than the extreme exploitation of migrant workers, who were thus deprived of their most basic rights.

196. While activities proposed on discrimination and private employment agencies did, to a limited extent, address this problem, a much more basic commitment was needed, involving active follow-up to the resolution of 1992. For instance, the ILO could provide a direct service to migrant workers in cases where they claimed to be subject to mistreatment or abuse. This would not be a complaint procedure, but rather an informal channel for workers who too frequently had nobody to turn to. Although the planned tripartite expert meeting on future activities, proposed in paragraph 60.52, should take these concerns fully into account, the Workers were not convinced that just one tripartite expert meeting was an adequate or even the right formula for that important issue. In any event, four days seemed totally insufficient if it was to come up with conclusions matching the size and complexity of the problem.

197. The representative of the Government of Norway regarded the programme on employment as perhaps the most important in the budget proposed to the Committee and thus the one deserving the highest priority. He found most of the programme satisfactory, and left it to the Employment Committee to comment on its details. Although at first sight the proposed US$3.7 million increase in resources might seem large, most of it would be used to produce the *World Employment* report. As a consequence, there would be hardly any growth for the other activities under this programme. He wondered if this was sufficient to reflect what should be the ILO's highest priority.

198. His country was very satisfied with the *World Employment 1995* report, which represented an excellent way of marking the ILO's central role in the field of employment. But the Director-General had proposed to produce a report every

second year, instead of annually, earmarking the resources saved for the follow-up to the World Social Summit. Given the great importance attached by many Committee members to this report, he was not convinced that this would be the best way to allocate resources to the follow-up of the Social Summit and to demonstrate that the issue of employment had highest priority. At the Summit the ILO was recognized as the central agency in the fight against unemployment and the best way to show that the ILO took on its responsibilities in this field was to shift resources from lower priority areas to the programme on employment. He fully supported Mr. Tapiola's idea that the ILO should concentrate on doing the things it could do best.

199. He underlined the importance for the ILO to cooperate closely with the Bretton Woods institutions as well as with the Economic and Social Council. Regular joint meetings with those institutions, mentioned earlier by the Director-General, would therefore be fully supported.

200. The representative of the Government of the United Kingdom, referring to the opening statement she had made on behalf of the Government group, stressed the great importance attached by that group to the employment programme, and its view that employment was the key priority of the ILO as well as a priority theme of the recent Social Summit. Still, more resources ought to be directed towards that programme. The same statement had emphasized the need to understand clearly what was envisaged by way of follow-up to the Summit in order to judge what was planned for this major programme, and the report on the Social Summit just issued would be most useful. Although recognizing that this issue would be discussed later in the Governing Body, she disagreed with the suggestion that national reports should be channelled via the ILO and therefore be somehow vetted by it. Not only was this unnecessary, but it ran counter to the essence of the Summit which was about reinforcing national responsibility while also heightening the effectiveness of international cooperation. Further, it would involve an enormous amount of work and use up scarce resources which could be more usefully directed towards other purposes.

201. As regards the *World Employment* report, she referred again to her statement on behalf of the Government group, recalling not only the group's keen interest in that report, but also their feeling that other extra activities should have been envisaged in major programme 60. Tripartite vetting of this report was not essential. The ILO, like other agencies, should be able to put out documents of that kind which were high profile and somewhat controversial, provided the Governing Body had, from time to time, the opportunity to discuss and comment on them and to make its views clear through the normal channels.

202. There was a lot in major programme 60 which governments could support and it was gratifying to see so much practical action planned. The action programme on youth unemployment was well designed and would address a central concern affecting virtually all countries. She also supported the work on migrant workers, another issue of global concern, and Mr. Tapiola's suggestion of an informal assistance service was a valuable idea which could be discussed further. The Government group would have appreciated further prioritization, with an emphasis on practical programmes which would help generate employment. The same would apply for the Summit follow-up, where there

should be more of an emphasis on practical activities and assistance on the part of the ILO.

203. The representative of the Government of Germany, commenting on the *World Employment 1995* report, recalled that in his Report to the 1994 Session of the International Labour Conference, the Director-General had launched the idea of such a report, and this idea met with broad support both at the Ministerial Meeting and also in the discussion on the Director-General's Report. Some speakers supported it, others had said nothing, but nobody had expressed sharp criticism, so naturally the Director-General considered that he had a mandate to go ahead with it. In the Governing Body there was no sharp opposition to it either. The report was submitted by the ILO to the World Summit for Social Development, but the link that was now made between the results of the World Summit and the *World Employment 1995* report did not exist originally.

204. He supported the point made earlier that although it was not clear exactly what the expectations of the United Nations and the Economic and Social Council were concerning the follow-up of that Summit, it seemed logical that they would be seeking something on the promotion of employment. Naturally, ECOSOC should not produce its own analysis of the world employment situation if this specialized knowledge was already available. The difficulty for the ILO was whether the *World Employment 1995* report could be regarded as a useful contribution to the Copenhagen Summit follow-up. The ILO should adopt a pragmatic approach and produce the *World Employment* report as it deemed fit, and make it available to the United Nations as a part of its contribution to the follow-up.

205. As regards the issue of cost, he wondered why, if the *World Employment 1995* report was produced with financing from the 1994-95 biennium, for the same report in 1996 and 1997 there was a request for an additional US$4 million. He was concerned that these resources could be used for other expenditures.

206. Commenting on the report on the World Summit for Social Development submitted earlier that day by the Director-General, he was surprised to read, in paragraph 33, that governments would be expected to produce reports which would be channelled through the ILO. Unlike Ms. Hartwell, what concerned him the most was not the channelling, but the question of additional reports. At various stages of the Copenhagen Summit it was pointed out that drafting additional reports would not be wise because there were already, throughout the United Nations system, large numbers of reports, including those on the implementation of ILO Conventions, which included abundant statistical and other information. Moreover, the statistical departments of the ILO, the United Nations and other organizations could count on voluminous information coming in regularly from member States and it would be more useful to summarize and analyse what was already available. For instance, the reports regularly prepared by governments that had ratified the Employment Policy Convention, 1964 (No. 122), were very carefully examined and analysed by the Office and the Committee of Experts, which was a notable advantage compared to the national reports proposed in the report. As for countries that had not ratified Convention No. 122, he proposed sending them a briefer questionnaire,

which they would fill out on a voluntary basis, so that the ILO could have as broad a picture of the situation as possible.

207. On the question of migration, he was alarmed at Mr. Tapiola's apparent suggestion to set up some kind of special complaint procedure for migrant workers against the host country. His country, an employer country that had not ratified the relevant Convention, would support the gathering of more information or practical data, but would oppose a separate complaints procedure. The ILO itself, through its Committee on Freedom of Association, handled collective, not individual complaints, so migrant workers should not be given greater privileges than those covered by other Conventions.

208. The representative of the Government of Italy observed that major programme 60 was clearly prepared in view of the Summit in Copenhagen and the Fourth World Conference on Women to be held in Beijing. His delegation considered employment to be a first priority which, linked with education and training, represented a solid means of combating unemployment and poverty. It therefore supported in general this programme and an increase in its resources. He summarized the kinds of activities proposed in the programme to highlight the broadness of ILO action. At the national level, advisory services — both at headquarters and even more in the field; monitoring and evaluation — both challenging tasks owing to a dearth of data and to parameters sometimes difficult to assess; finally, suggesting future paths of action — probably the most interesting aspect. At the international level, the role of the ILO should be enhanced through constant participation in all relevant meetings and through close cooperation with the Bretton Woods institutions, in particular to ensure that a social component was indeed integrated into their course of action. His delegation appreciated the complexities involved in the preparation of the *World Employment 1995* report, and needed to study it further before expressing a firm judgement. In this connection, he stressed the importance of the ILO's information dissemination activities, which provided valuable orientations to many constituents. He approved the proposal of an action programme on youth employment, as this was a major problem worldwide. Concerning migration, he emphasized that it was an international problem. His country attached considerable importance to equality of treatment between national and migrant workers, but the magnitude of the problem suggested that further remedies were necessary, in particular, creating jobs in the sending countries.

209. The representative of the Government of France indicated that he could not comment on major programme 60 without talking about the follow-up to Copenhagen. That follow-up needed to be integrated into this major programme. Referring to the interventions made on the *World Employment 1995* report, his recollections differed from those of Mr. Tapiola and Mr. Willers. In Copenhagen, it was not the report that mattered because it had just arrived, had probably not been read, and thus could not influence decisions much. What really had a major impact on the decisions taken in Copenhagen on employment was, first, that the United Nations, through a decision taken at its General Assembly in 1992, had set productive employment as one of the three themes for the Summit. That was a UN decision, and it was the first time in UN history that certain social issues were tackled in the same way as the employment issue. The second major

influence was the way in which this matter had been dealt with by the ILO. It was the resolution adopted by the Governing Body at its earlier session, calling for the ILO to play a role on the issue of employment, that was the decisive element, not the report. ECOSOC was involved only because a unanimous decision was taken during the preparation for the Summit not to create another UN body, so the ILO should seize the opportunity to consolidate its position as the leading voice on employment issues.

210. He agreed with the comments of Mr. Tapiola that it would be useful to have an annual report analysing the world employment situation and how it was affected by economic and financial policies. Such a report would be useful to the United Nations, as the body responsible for follow-up to the Copenhagen Summit, and also to other institutions such as the International Monetary Fund. The ILO's Committee on Employment and Social Policy could be given a more specific and concrete role to play in this exercise. The report should be prepared by the Director-General and should not be submitted to tripartite discussions before it was issued, otherwise there was a risk it would reflect the compromises that commonly occurred in these consultations. It did not really matter whether the report was issued yearly or every two years. What mattered was its impact upon other institutions. He was pleased to support major programme 60 as it was, since the Director-General had indicated that the resources for the report were earmarked for follow-up activities as a whole.

211. The representative of the Government of Egypt was pleased with the emphasis given in the proposals to assistance to member States in drawing up policies for the promotion of employment. He recalled that the discussion on strategies for technical cooperation at the November 1994 Session of the Governing Body had stressed the need for complementarity between the programme and budget proposals and technical assistance. He proposed a joint field project, involving three major ILO departments — STAT, EMPLOI and DEVCOTEC — to provide information and help member States draw up policies for employment generation. This scheme could be presented to the Governing Body for discussion.

212. On major programme 60, he commented on the action programme to help provide employment opportunities for youth. The programme and budget proposals should ideally reflect a closer link between major programmes 60 and 70, in particular the activities affecting developing countries in Africa. The position of migrant workers was also an important issue, and he supported the activities aimed at ensuring their welfare.

213. The representative of the Government of Hungary expressed full support for the major programme on employment. In Central and Eastern Europe, the transition towards a market economy was having serious consequences and had led to falling living standards and rapidly increasing unemployment. In his own country efforts were being made to formulate new employment strategies to manage better the social tensions arising from the high level of unemployment. His Government was particularly interested in the review and assessment of the employment effects of structural adjustment measures and in the use of the action programme on youth unemployment.

214. The representative of the Government of India stated on behalf of the Asian group that unemployment was one of the two critical issues on which the ILO should focus in the 1996-97 biennium. Unemployment and underemployment were very severe, particularly in the developing Asian countries, and the pressure of population growth on employment great. Many Asian countries were also trying to cope with the impact of structural adjustment and stabilization policies and their effects on employment. Following the Social Summit, Asian countries expected the ILO to take concrete measures to put the commitments undertaken there into practice and to place employment creation at the centre of governments' strategies and policies. The Asian countries were grateful to the Director-General for his report on the World Summit for Social Development, and had listened with great interest to his statement and the proposals on employment and other issues raised in that report.

215. In the programme and budget document they noted with satisfaction the increase in the resources for employment. It would be unfortunate if this increase went completely to fund only one report, so the Asian countries were considering the clarifications given by the Director-General and would comment on the matter at a later stage. He highlighted a few aspects of particular interest to the Asian group. The first was programme 60.4, on migration. The Asian countries considered migration as a labour rather than security matter, and looked at the programme and budget proposals in this perspective. Activities on migration should emphasize the problems experienced by both labour-sending and labour-receiving countries. The ILO had not adequately focused on this issue in the past and thus the group welcomed the current proposals.

216. Migration for employment raised many issues, including access to the labour market, equality of treatment, social protection, and the role and responsibilities of private employment agencies. The Asian group suggested adding the protection of workers to the objectives of the programme specified in paragraph 60.48. That issue should be suitably addressed in policy analysis and in the provision of technical advisory services. The ILO should focus more on the care and protection of workers so as to ensure adequate protection for migrant workers at the enterprise, national, regional and international levels. The group also recognized the importance of human resource development and considered that this could provide new options and modalities for countries to develop and utilize such resources. Migration was a component of economic interdependence between countries, so migration policies and the legal framework to manage migration should be geared to the humanization of manpower movements. Migrant workers should be accorded equality of treatment and protection in conditions of work in accordance with the laws and practices of the host countries. The Asian group supported the planned Tripartite Meeting of Experts and hoped that the Governing Body would subsequently have the opportunity to address the same issue.

217. The group also supported the action programme on youth unemployment. It was timely and relevant to the many Asian countries which suffered from structural problems related to the absorption of young workers and the entry of youth into employment.

218. The group also welcomed the focus on labour market policies and emphasized the importance of related technical cooperation activities. The areas of emphasis, which included the improved design and usefulness of labour market information systems, the coordination of active labour market programmes with income transfer and social security measures, and the development and demonstration of comprehensive active labour market programmes, were logical and well chosen. Finally, the group indicated its wish to return later to the question of interaction between the Bretton Woods institutions and the ILO. This issue should not be treated hurriedly and particular care should be taken to avoid funding subject to conditions.

219. The representative of the Government of China agreed with the statement made on behalf of the Asian group, and appreciated the comments of the Director-General on the follow-up to the Social Summit. It would, however, be an arduous task to address all these concerns in the 1996-97 programme, and the main conclusion which the ILO should draw from the Social Summit was the priority to be given to activities designed to promote employment and eliminate poverty. Major programme 60 deserved full support but in its follow-up to the Social Summit the ILO should place more emphasis on practical action. It was important to analyse the world employment situation and to study employment strategies and policies, and he accordingly supported the continuation of the *World Employment* report, although its cost seemed high. He also expressed support for activities related to labour market policy and labour market information and analysis, even though they should be expanded. Developing countries needed to receive recommendations on employment policies, but what they needed more were concrete steps to help implement employment strategies and policies through technical cooperation because that would lead to more direct and obvious results. Consequently, more budgetary and extra-budgetary resources should be allocated for such activities. ILO assistance to developing countries should concentrate on such areas as the creation of more employment opportunities, the re-employment and transfer of workers from enterprises and, in rural areas, the adaptation of the agricultural labour force to non-agricultural production. Special attention should urgently be given to the special problems of women, youth, elderly workers, disabled and migrant workers.

220. The representative of the Government of Sudan welcomed major programme 60 since the creation of employment was a major element to combat poverty and enhance human dignity. Low employment levels in developing countries were due mainly to low investment in some major sectors, namely agriculture, infrastructure, and the provision of such basic services as education, health and water supplies. The link between employment and poverty which affected more than 2 billion persons in the world was obvious. In reviewing the root causes of the problem it was necessary to consider ways to overcome the unfavourable international environment for investment in developing countries. The analysis in paragraph 60.21 on globalization and regional integration and the reference to export possibilities and attracting foreign investment were most informative. Exports were an important source of foreign currency for developing countries and more attention should be given to ways of improving the processing of raw materials and adding value. Careful studies of labour market opportunities

in exports were also needed, but it was regrettable that more mention was not made of activities to help the African trading blocs. He expressed particular support for the cautionary note sounded in paragraph 60.24, on human resources development and employment promotion. In his own country academic instruction and education had perhaps been overemphasized in the past and had resulted in a large number of academic graduates with few employment opportunities, so it was important to study carefully the link between the two. Sudan was also suffering from youth unemployment and strongly supported the action programme on that subject. To conclude, although the employment programme was the main one involved in the follow-up to the Social Summit, the ILO needed to be flexible and identify carefully how it could implement the follow-up to the Copenhagen Summit. The ILO should also encourage other international organizations to play their part because the broad goals of the Social Summit needed the widest possible support.

221. The representative of the Government of the United States supported major programme 60 and stressed the importance of the follow-up to the Social Summit. The *World Employment* report alone would not enhance the ILO's credibility and strengthen its role among other international organizations, unless the report was vigorously promoted by senior ILO management through speeches, meetings and personal contacts. It was as important "to sell" the report as it was to produce it. At the end of the biennium, it was the results which counted and not the number of reports produced.

222. The representative of the Government of Japan said that the ILO should take the initiative in the field of employment promotion as a follow-up to the Copenhagen Summit. During the next biennium it would be especially important to place emphasis on employment generation activities and reinforce standard-setting activities and technical cooperation programmes as well. It was interesting to see that a national level employment report was expected as a follow-up to the Social Summit. However, member States which had ratified Convention No. 122 were already reporting on their employment situation every few years. The relation between reporting procedures for that Convention and the national report was not clear. His Government also had some reservation in passing this new report through ECOSOC since it would be a report for which the Government had responsibility.

223. He expressed general support for this major programme, but considered that the resources earmarked for the *World Employment* report were excessive. In relation to programme 60.4, on migration for employment, he considered that more effort was needed by both sending and receiving countries to solve the special problems of migrant workers. At the same time it was important for sending countries to attempt to provide productive employment for their labour forces so that migration was unnecessary. Programmes to achieve this were urgently needed and the ILO should provide more resources for these activities. Subject to these comments, he expressed support for the major programme on employment.

224. A representative of the Director-General (the Director of the Employment Department) noted that there had been overwhelming general support for the ILO's work on employment. Virtually all speakers had considered

employment to be a key issue. However, throughout the debate there had been a concern that solutions to the problems of unemployment and underemployment were not immediately in sight. To solve these problems required therefore a continuous and sustained effort, as old solutions might not work and new solutions would have to be found. It was difficult to give a full response to the debate at this stage because the issue of follow-up to the Social Summit was to be taken up later and also had ramifications beyond major programme 60. He thanked members for their response to the remarks of the Director-General and especially for their comments on the *World Employment* report, and its future.

225. In referring to the comments of the Workers on the role of active labour market policies in employment promotion, he agreed that the wording in paragraph 60.27 might be misleading. It was unlikely that a programme of active labour market policies in any country which did not exceed 6 or 7 per cent of the GNP, including unemployment compensation, could be an alternative to macroeconomic policies. It could, however, contribute to employment promotion by making labour markets work more efficiently. On international migration, he emphasized that the ILO was the only specialized United Nations agency with a constitutional mandate to address issues of such concern to workers. The 1992 resolution on the role of the ILO in the protection and promotion of the rights of migrant workers and their families had been taken into account and very seriously considered in the design and implementation of the interdepartmental programme on migration. That programme included action on legislation and regulations concerning discrimination against migrant workers, and policies to develop the services which would enhance the capacities of member States to ratify the relevant ILO Conventions. The Governing Body would have an opportunity to assess the results of that programme. The planned tripartite meeting, which had been mentioned by several speakers would focus, inter alia, on the issues raised in the 1992 resolution.

226. He had noted the requests for more practical programmes to respond to the needs of constituents. Such programmes had been and would continue to be developed under major programme 60, but as with many other programmes, the regions were implementing many of these activities. In responding to the point made by the representative of the Government of Italy on the linking of employment-related work with other issues, he emphasized that it was not only major programme 60 which addressed the objectives of employment promotion. Other programmes also contributed to the promotion of full, productive and freely chosen employment, and it was necessary to combine all such programmes into a coherent and consistent strategy on employment to reflect the ILO's contributions at the local, regional and international levels.

Major programme 65 — Enterprise and cooperative development

227. Mr. Halliwell, speaking on behalf of the Employer members, said that the major programme was of particular interest to Employers and that the development of enterprises in view of their potential for job creation should be given a higher profile in the ILO's work. He regretted that the activities of the major programme depended to a great extent on extra-budgetary funding. The proposed enterprise forum should be used to exchange views and would provide

an opportunity for employers and others to bring a forward-looking perspective to the major programme's activities. The selection of participants should be carried out in full consultation with the group secretariats. While indicating his support for the major programme's emphasis on the promotion of small enterprises, he pointed out that it was not enough to establish enterprises but that they needed a favourable environment and assistance in management training and other support services to help prevent failure. The proposed action programme on privatization, restructuring and economic democracy caused some concern to his group, which had strong reservations about the proposal, which was presented in wording that was not sufficiently clear. He concluded by stating that one should not lose sight of the fact that the major underlying objective of this major programme was employment creation and it therefore merited full support.

228. Mr. Tapiola, speaking on behalf of the Worker members, agreed that the ILO needed an enterprise policy and programme, but expressed concern at the lack of references to the importance of the role of workers' organizations. The text of some other major programmes did specifically refer to the importance of improving working conditions and sound industrial relations in relation to enterprise productivity and growth but here, such references were absent. Although he was by no means against the proposal for the establishment of an enterprise forum, the Workers should be fully involved in its organization and it should not become simply a "managers' jamboree". He expressed support for the action programme on privatization, restructuring and economic democracy but pointed out that privatization was also applied to profitable public enterprises by governments wishing to wash their hands of social responsibilities. The Workers wished to stress that privatization was not a general remedy to economic and employment problems; on the contrary, it often led to job losses. As regards the proposed activities on the social dimensions of enterprise finance he felt that they should focus on the question of finance in relation to the generation of sustainable quality employment and be limited to developing countries. His most serious concerns were with respect to the entrepreneurship and management development programme which seemed too "employer-driven". The wording and emphasis should be changed so that the focus would be on employment creation and progress at the workplace. Although in general he viewed the proposed informal sector activities positively there was, in his opinion, still too much stress on increasing productivity and employment in this sector and not enough on the need for full integration into the formal sector which was the best way to extend social protection and improve working conditions. While calling for a greater involvement of employers' and workers' organizations in the ILO's activities in this area, he also felt that more efforts should be made to organize informal sector workers in trade unions and cooperative-type organizations. With respect to hotel and tourism activities he stated strongly that this unit should remain the responsibility of major programme 100. While fully supporting the proposed cooperative activities he regretted that efforts to involve workers' organizations in these activities had not been successful. He was glad to note the reference to the importance of cooperatives in respect of poverty alleviation, job creation and food security and emphasized the different nature of cooperative enterprises, which had a social objective, and strictly commercial enterprises which were merely profit-oriented. Finally, he was concerned about the fact that multinational

enterprises were not mentioned specifically and felt that there was a serious discrepancy in resource allocations between major programmes 65 and 85 which should be reviewed.

229. The representative of the Government of the United Kingdom expressed strong support for the major programme, and said that the work on small enterprises should be its major priority in view of the important employment potential of such enterprises. Although supportive of the proposed action programme on privatization, restructuring and economic democracy, she agreed with previous speakers that its wording could give rise to misunderstandings. She also supported the proposed enterprise forum and felt that the Employers and Workers should agree to a certain flexibility with respect to the selection of participants. She disagreed with the previous speaker concerning the alleged lack of references to the importance of collective bargaining, industrial relations and working conditions in the text of this particular major programme. In her view it was correct to concentrate on enterprise issues since otherwise the programme and budget document as a whole would become overly repetitive.

230. The representative of the Government of Germany began by mentioning that since the discussion of major programme 60 had been postponed to allow the Director-General to make a presentation on the ILO's role in the follow-up of the World Summit for Social Development, the discussion of this major programme, as well as that of other major programmes such as 70 and 125, should perhaps also have been postponed since the follow-up of the World Summit would no doubt have an impact on the work of these major programmes as well. He agreed with the previous speakers that there was a certain risk in the fact that the major programme depended to a great extent on extra-budgetary funding but there was probably little that could be done about this. With respect to the observations of Mr. Tapiola, he pointed out that paragraph 65.18 did contain very explicit references concerning the importance of sound industrial relations and working conditions for enterprise development. He further mentioned that in his country the term social partners was clearly understood and fully accepted. He ended by expressing his strong support for the major programme.

231. The representative of the Government of France said that he would not have asked for the floor had it not been for Mr. Tapiola's intervention, which made him feel the need to remind the audience that the major programme had been created to help member States create jobs, particularly through small-enterprise and cooperative development. These were the two priority areas of the major programme and should be fully supported by everybody.

232. A representative of the Director-General (the Director of the Enterprise and Cooperative Development Department) thanked the speakers for their critical and constructive observations, which he and his colleagues would certainly keep in mind when implementing the major programme. He explained that the high level of extra-budgetary funding for the major programme's activities was the logical result of a request expressed by developing countries and countries in transition and a willingness on the part of donor countries to fund such activities. He went on to confirm that the main purpose of the major programme's work was the creation of quality jobs, particularly in small enterprises. He further mentioned that many activities were undertaken in close cooperation with other

major programmes, particularly the Turin Centre, thus ensuring that ILO core concerns were not lost sight of. Regarding privatization, he explained that the ILO had no position in favour or against privatization as such. Rather, privatization, if and when it took place, should lead to the widest possible participation of citizens in enterprise ownership. The work of the action programme would therefore also aim at exploring ways and means to achieve this objective. He concluded by pointing out that the action programmes in the different major programmes were indeed of a truly interdepartmental nature and that although their resources were shown under one major programme, they would in fact be distributed among the programmes involved.

233. With respect to the enterprise forum, a representative of the Director-General (the Assistant Director-General responsible for enterprise activities) pointed out that due to the late inclusion of this proposal in the text it had not been possible to provide more details. He went on to explain that the idea was to bring together ILO constituents, entrepreneurs, from both large and small enterprises and a few representatives from business schools to discuss job creation and employment, the role of the ILO, the role of enterprises and the role of the social partners. The Office had noted the strong request from the two non-governmental groups that the selection of the participants in the forum be made according to standard ILO practice through the most representative organizations. Such an event could be seen as part of the ILO's follow-up to the World Summit for Social Development. Additional proposals on the financing of the forum would be submitted by the Director-General when presenting his adjustments to the proposals under discussion.

Major programme 70 — Training

234. Mr. Tabani, speaking on behalf of the Employer members, said that the objectives and priorities of this important major programme were acceptable and in conformity with suggestions made previously by the Employer members. The major programme, he noted, recognized that training systems needed to demonstrate the capacity to react to changing labour market conditions. He expressed full acceptance of the focus of the training policies and development programme, the vocational training systems management programme and the vocational rehabilitation programme as discussed in paragraphs 70.3 and 70.5. The Employer members also welcomed the action programme concerning skills and entrepreneurship training for countries emerging from armed conflict. He also stressed the importance of work related to the management of training systems and suggested that its scope be enlarged and that employers' organizations be fully involved to ensure that training systems conformed to the demands of the market. He considered laudable the inclusion of vulnerable categories of populations in vocational training programmes. In reiterating the importance of this major programme to both developed and developing countries, he expressed the concern of the Employer members about the sharp drop of resources allocated for implementation of this major programme. While the regular budget allocation had increased by a nominal US$216,000, the amount from other sources, namely extra-budgetary resources, had been reduced by almost US$9 million, which was about 24 per cent less when compared to the previous year. In view of this

reduction in allocation, the Employer members questioned whether the major programme would make the needed impact on the labour market.

235. Mr. Itoh, speaking on behalf of the Worker members, considered training to be a very important task for the ILO. He noted that while there was a modest increase in the regular budget resources proposed for this programme, this was more than offset by the sharp decline expected in extra-budgetary funds from other sources. The reduction in resources was a matter of great concern to the Worker members, particularly in view of the high levels of unemployment prevailing throughout the world and the need for workers to keep pace with labour market conditions and skills requirements, which were changing with unprecedented rapidity. There was universal concern about the need for better training provision to overcome the widespread problem of skills' supply-demand mismatch. The Worker members concerns, he said, were heightened by the gloomy situation of the current training capacities in the world, as presented in each of the three programme areas under this major programme. If the situation was really so serious, then the need for action was particularly urgent. The potential of training was a powerful tool in the fight against social exclusion and, more generally, in promoting equity and the Worker members were prepared to support the proposed action programme concerning skills and entrepreneurship training for countries emerging from armed conflicts. However, the action programme needed to be expanded in scope and, in addition to the activities proposed, it should include activities for the establishment of labour administration, institution and legislation, social dialogue and tripartite cooperation, all of which were crucial to the consolidation of peace and democracy. He proposed that the title of the action programme be changed to reflect "peace-building". While supporting the intention for the action programme to be carried out in close collaboration with other departments within the ILO, and in cooperation with other UN agencies, he noted that the World Bank, UNESCO and the United Nations Centre for Human Rights were not included. He regretted that participation by trade unions was not foreseen, while cooperation with NGOs was mentioned even to the extent that they were to be recipients of advisory services. He requested that this be rectified. He believed that retraining the huge workforce in the armaments industry should be highlighted, where job losses had reached a high level and conversion training was becoming important. Retraining, particularly in African countries and countries in transition to a market economy, should also receive emphasis in the area of training policies and programme development, notably in the light of structural adjustment and technological change which were making large numbers of people redundant in the public sector and state enterprises. Work related to the ratification and implementation of Conventions concerning human resources development and vocational rehabilitation was considered important, and he welcomed the emphasis on practical assistance to member States and that implementation of the major programme would be guided by these instruments. The Worker members felt that little attention had been given to the question of gender equality and therefore suggested that enhancement of women's training opportunities should be taken into account in the programme. He welcomed the proposal to involve workers' organizations in the formulation of training policies and programmes and said that trade unions should be involved in both public and

private training programmes. Referring to paragraphs 70.13 and 70.14, he welcomed the proposal to strengthen the capacity of social partners to analyse and evaluate existing training systems. While endorsing the integration of post-training support services into the training delivery systems, he drew attention to the concept of lifelong learning. The ILO should promote lifelong training taking into consideration new skills requirements. He was also pleased that the ILO modular approach would be updated on the basis of a study of five industrialized countries. The Worker members felt that such study should also be carried out in developing countries where training systems were fairly advanced in order to ensure that the training packages developed were relevant and suitable for all countries. The Worker members also endorsed the programme aimed at enhancing social integration and the participation of vulnerable and disadvantaged groups in productive and freely chosen jobs. He referred to the usefulness of guidelines adapted recently by a meeting of experts on drug and alcohol abuse as a basis for promoting technical cooperation activities. Finally, he supported the proposed activity on youth in social difficulty. However, this should be closely coordinated with the action programme concerning youth unemployment in major programme 60. The Worker members believed that the proposed youth activity under this programme should not be limited only to industrialized countries, as the subject was equally important to developing countries.

236. The representative of the Government of the United Kingdom felt that the proposals in the major programme were practical and relevant. She was pleased with the emphasis on modern training methods, including open and distance learning, as well as modular and competency-based delivery systems. She welcomed the plan to help disabled workers in particular. However, she questioned whether drug and alcohol abuse, although important, should be given so much priority compared to other more pressing training needs of the Organization. In addition, she requested clarification as to whether the proposed subprogramme related to the United Nations Drugs Control Programme and whether the reference to broaden international strategy described in paragraph 70.5 was a specific reference to the UN programme. Concerning youth in social difficulty, she stated that it envisaged focusing entirely on industrialized countries. Given that there were other organizations that dealt specifically with the constituency of industrialized countries, she remarked that perhaps the ILO should give more priority to the needs of developing countries in this important subject.

237. The representative of the Government of Germany said that his delegation shared the concern expressed by both the Employer and Worker members at the reduction in the resources in this extremely important major programme, which was attributable to the fact that the programme depended on extra-budgetary resources to a very considerable extent. Extra-budgetary resources in the present biennium were in the order of 80 per cent and these resources would be reduced to about 70 per cent during the forthcoming budgetary period. He appealed to donors to be particularly favourable to the programme, and expressed support for the action programme concerning skills and entrepreneurial training for countries emerging from armed conflicts. The action programme was to benefit civilians who had suffered from armed conflicts and ex-combatants who were often forced to take up arms against their own will. As regards the issue of trade unions' involvement in the programme, he considered that reference to non-

governmental organizations included, first and foremost, the trade unions. He also voiced the opinion that in some regions trade union structures had not been developed and it might not be in the right order if one had to wait until trade unions become active first before implementing programmes. He was of the opinion that the programme of the ILO, which was tripartite should, when implemented, make use of the experiences gained by trade unions.

238. The representative of the Government of Kenya associated himself with the strong support expressed by others for this major programme. He mentioned that his Government firmly believed that training at all levels should be demand-driven both in the developing countries, such as Kenya, as well as in countries in transition to a market economy. He noted with approval the objective of this programme, which was to enhance the capacity of policy-makers and the training of planners and practitioners, including employers' and workers' organizations, in formulating sound human resources development policies. He expressed the belief of his Government that the ILO should continue to reflect the needs of member States and, in particular, the need for strengthening their training capacity and hence the ability to cope with structural adjustments. He welcomed the emphasis placed on the development of sustainable capacity at policy, managerial and delivery levels and on the creation of an environment in which the tripartite partners had a role to play in all training arrangements. Finally, he was pleased to note that, in comparison with the 1994-95 budgetary period, the regular budget resources for this programme had been increased by some US$216,000 during the 1996-97 biennium.

239. The representative of the Government of Chile was pleased with this programme and noted the progress in the concept of occupational training towards training for productive employment. He was pleased to note that training, as presented in this programme, was also concomitant with providing workers with polyvalent occupational skills where cooperation, initiative and personal responsibility were highlighted. He felt that in this way, training systems would operate with a logic to adapt to technologies and, therefore, to modernization. He mentioned that the programme also highlighted the need to benefit fully from the capacity of training agents — the State, enterprises, private organizations, non-governmental organizations — which, in a decentralized and participatory manner, could involve themselves in overall vocational training efforts, including special programmes such as vocational, retraining, further training, specialized training for countries emerging from armed conflicts and youth in social difficulty. He welcomed the types of training programmes and activities proposed for youth in social difficulty and other vulnerable groups. Their proper integration into society depended basically on the capacity of people to mobilize a whole set of versatile skills, making the best use of integrated training schemes, as proposed in the programme. He emphasized the need for better consistency and coherence between this programme (70) and major programme 60 as regards human resources development and employment promotion as set forth in paragraphs 60.24, 60.25 and 60.26. He suggested that formulating training policies should be guided by Convention No. 142 and Recommendation No. 150 concerning human resources development. In doing so, there would be greater clarity, transparency and coherence of overall ILO activities in the fields of training and occupational development.

240. The representative from the Government of Egypt noted that proposed youth activities, both in major programmes 60 and 70, had ignored the needs of developing countries and countries in transition to a market economy. He supported the suggestion of the representative of the Government of the United Kingdom that the proposed subprogramme on youth in social difficulty be focused more on the needs of developing countries. He also stressed the need to emphasize training for transformation, as this was especially relevant to Africa because of the economic transformation that was taking place there. Workers needed to have multi-skills or to be retrained in fields close to the ones they had been working in previously. He supported the action programme and stressed that this was very relevant to some Arab countries and to Palestine. Transformations were now under way in those countries which had been subjected to .rmed conflicts, and greater attention should be given to the training needs of the people concerned.

241. A representative of the Director-General (the Director of the Training Department) expressed gratitude for the constructive and critical comments made by members of the Committee. He assured them that the remarks and suggestions made would be fully taken into account in the implementation of the programme. Noting the comment made concerning the decrease in real resources for the work of the Training Department, he said he would welcome any additional resources that the Governing Body might offer. He nevertheless assured the Committee members that, despite the situation of budgetary constraints, his department would implement the programme in the most cost-effective manner. He emphasized that the Training Department's principal objective was to adapt the profile of the programme to the vocational training and human resources development needs of the changing world. The programme would not give priority to building more schools and public training centres and replacing equipment. He quoted Mr. Oechslin's statement, made during the preparatory discussions of the Governing Body last year that "It was not training activities that were lacking, but a vision and a strategy of training for employment". The orientation of the programme was thus to strengthen training for employability. He noted that several issues had been introduced by the speakers, namely: linkages between education and training systems and wage employment/decentralization of decision-making and the involvement of social partners, the consequences of more enterprise-based and private sector training, incentive schemes by which the State could strengthen and develop training of individuals at the enterprise, and innovative methods and new media to enhance training. These and other issues were highly debatable, and he reassured the Committee members that the Training Department had tried to find solutions to these issues and problems and to prepare new solutions with ILO constituents. In addressing the suggestion made by the Worker members to broaden the objectives of the action programme to include peace-keeping activities, the representative of the Director-General said that peace-keeping activities were the task of the United Nations. The action programme was to create the necessary training infrastructure which promoted peace-building and maintained peace. In response to the concern of several delegates about the focus on industrialized countries in the subprogramme on youth in social difficulty, he said that it was not the intention to assist industrialized countries, but to use their experience for adapting it to developing

countries. He cited a project funded by the Government of Germany whereby the industrialized countries' experience was being adapted to countries in Central and Eastern Europe. Concerning the query of the representative of the Government of the United Kingdom regarding the subprogramme on alcoholic abuse, he replied that the ILO was closely cooperating with the UN agencies and that the ILO's primary concern was with problems that were related to the workplace. This, he considered, was the comparative advantage of the ILO. In response to the concern of several delegates about the decline in extra-budgetary resources, he suggested that the best response would be to sharpen the ILO profile and quality of services and to make them more attractive both to the donor community and ILO constituents and that the constituents ask the ILO for involvement in the management and execution of technical cooperation projects.

Major programme 75 — Turin Centre

242. Ms. Sasso-Mazzufferi, speaking on behalf of the Employers, pointed out that the subsidy for the Turin Centre for the next biennium was the same as that for the present one and represented 1.05 per cent of the total ILO budget. The contribution of the Italian Government had remained significant in the biennium 1994-95, at $13.5 million, with an additional $36 million expected during the biennium 1996-97 from extra-budgetary resources, as was mentioned in paragraph 75.3 of the programme and budget proposals. Accordingly, the greatest part of the financing came from outside.

243. The management of the Turin Centre was sound. The Director fulfilled his role effectively and the staff worked with motivation and efficiency, with the result that the Centre performed well. In accordance with the wishes of the Board of the Turin Centre, collaboration with other departments of the ILO had been continued. The Centre would be associated with many programmes planned for the next biennium. It was also to be noted that the budget of the Centre was balanced, and showed even a slight surplus. More importantly, the Centre was competitive in the training market and demand-driven, as had been noted in paragraph 75.3. The Centre was evidently considered in a positive light by its users.

244. The priorities and objectives of the Turin Centre would remain unchanged for the 1996-97 biennium, as was stated in paragraph 75.2 of the proposals. It was of particular interest to the Employers that the training programme for employers' organizations would be strengthened and supplemented (paragraph 75.9) and that the Centre would encourage participation by the private sector in the field of vocational training (paragraph 75.18).

245. As regards the promotion of equality of opportunity and treatment for women in respect of training and employment (paragraph 75.24), the Employers had noted, with interest, that specific projects and courses would be undertaken to assist the creation of enterprises by women, something that the Employers' group had always supported.

246. At the beginning of June, there would be a meeting of the Management Training Committee of the Turin Centre, which would make a mid-term evaluation of the management programmes approved last November. The Employers requested that this evaluation be carried out in order to assess the

implementation of the programmes. In conclusion, the Employers' group approved this chapter of the proposals.

247. Mr. Agyei, on behalf of the Worker members, noted with satisfaction that the Turin Centre would continue to implement, during the next biennium, the three major orientations of the Turin Centre Development Plan 1991-95: the first concerning the harmonization and integration of the Centre's activities with those of the ILO; second, the development of training programmes for the institutions of the United Nations system; and third, the development of a cooperative network between the Centre and national and regional training institutions. While reiterating support for these major policy orientations, the Worker members stressed that the Centre's first priority should be to continue as the ILO's training centre. The activities of the Turin Centre had to match those of the ILO.

248. As had been expressed during the meeting of the Board of the Turin Centre in November 1994, the Worker members had some concerns with the second-mentioned orientation. It was important to ensure that the increase in training activities for the United Nations agencies — which brought 380 participants to the Centre in 1994 — was not to the detriment of the training courses which were squarely within the mandate of the ILO. It was essential that the Centre maintained its identity as an ILO institution.

249. The participation of trade unionists in the activities of the Centre was likewise a matter of priority concern to the Workers' group. Obviously, the number of courses held purely for trade unionists was important and, according to paragraph 75.8, some 16 trade union training activities were planned for the 1996-97 biennium. However, it was of equal, if not greater, significance that paragraph 75.8 also stated the Centre's commitment to encouraging the participation of workers' representatives in all of its courses. The Worker members stressed that workers should be given the opportunity to participate in all courses offered by the Turin Centre and that their participation not be limited only to trade union education programmes.

250. The Workers welcomed the reference, in paragraphs 75.6 and 75.7, to the central role of ILO standards in guiding training activities to supervise and protect human rights and to the emphasis that would be placed on the links between the ILO's standard-setting activities and its technical cooperation programme.

251. Paragraph 75.14, which concerned the training and employment strategies for vulnerable categories of the population, made specific reference to the Centre's collaboration only with other European institutions, including the European Commission, the European Centre for the Development of Vocational Training and the European Training Foundation. The Worker members considered that there were other training institutions in other parts of the world with which the Turin Centre could establish relations and wished for further information and clarification on this matter.

252. While welcoming the participation of the Centre in several activities covered by the action programme on skills and entrepreneurship training in countries emerging from armed conflict (paragraph 75.16), the Workers noted there had been a clear failure to include workers' and employers' organizations in these activities. This paragraph made reference only to non-governmental

organizations, local communities, trainers and project managers. The building and strengthening of workers' and employers' organizations in countries torn apart by war and armed conflict should be a priority of the ILO, as such action was crucial for the consolidation of peace and stability. Accordingly, the Workers insisted on the categoric involvement of employers' and workers' organizations in these activities.

253. As management training programmes comprised an essential part of the Centre's overall budget, the Worker members considered it disturbing that paragraph 75.19 stated these activities were designed to help those whose role was to assist the creation of enterprises. Workers' organizations were also involved with management and these training programmes should also be extended specifically to workers' as well as employers' organizations. Accordingly, clarification was requested on this point.

254. The Workers' group welcomed the development of new training courses and training materials on social security institutions (paragraphs 75.23 and 75.24) but insisted that these activities be carried out in consultation with major programme 230 (Workers' activities), as well as with major programme 110 (Social security).

255. The proposal to place more emphasis on promoting equality of opportunity and treatment for women in respect of training and employment (paragraph 75.24) was considered as too narrow by the Worker members. The Turin Centre should increase its efforts to integrate objectives and targets for the improved participation of women into its overall training activities, including in the design of courses, the methodology used and their implementation. It was particularly important that women from developing countries, who were being retrenched as a result of structural adjustment, were given the opportunity to benefit from entrepreneurship development programmes, so that they might acquire the skills to enter the informal sector, using perhaps their retrenchment benefits. Such a programme existed in Ghana.

256. Finally, the Workers stressed that the Turin Centre's collaboration with other United Nations agencies should promote the overall mission of the ILO in respect of social justice, protection of workers' rights and last, but not least, tripartism.

257. The representative of the Government of Kenya expressed support for the work and management of the Turin Centre, which had continued to pursue its primary mandate as the ILO's training institution in an exemplary way. His Government supported the Centre's priorities for the 1996-97 biennium, as set out in the Centre's current development plan. He also welcomed the increasing integration of the Centre's activities into the main technical programmes of the ILO, the Centre's continued activities in support of the various programmes of the United Nations and its specialized agencies, the attention given to the specific training needs of the various nations and the Centre's support for the active partnership policy. The Centre had continued to play a crucial role in strengthening the decision-making capacity of government officials through appropriate skill improvement and training programmes. Consequently, full support could be given to the Centre's programme on training for the 1996-97

biennium, including management and trade union training, as well as the Centre's role in the development of technical cooperation.

258. Kenya attached special significance to the work of the Centre, since its activities had a positive influence on the situation of developing countries, where the training of skilled labour was crucial to economic development. The Government supported fully all the aims and objectives of this major programme and was pleased to note that the regular funding for the Centre's programme had not been reduced for the forthcoming biennium.

259. The representative of the Government of China expressed support for major programme 75 (Turin Centre). As had been indicated by the spokesperson of the Employer's group in the general debate, the Centre's training activities, which were both specific and efficient, had made an active contribution to the mandate of the ILO and, in particular, for developing countries. His Government considered the methods of the Centre and the various sectors in which it worked as excellent, because the needs of developing countries and of countries in transition were taken into account. It was hoped that the Centre would continue in this direction and would achieve even more in the future. It was also hoped that the budgetary resources allocated to the Centre would remain unchanged, as the positive work of the Centre depended on the much-appreciated generosity of the Italian Government.

260. The representative of the Government of France recalled that, though the Turin Centre once constituted a major problem, debate about the Centre had become easy over the past several years. The old problems should not, however, be forgotten. Gratitude was owed to the management of the Centre for having succeeded in making it competitive at the same time as it had remained the ILO's training body. An examination of the proposals showed that the Centre had a part to play in numerous activities, as had been conceived at its beginning, and for which it must now be congratulated. The programme could be approved without difficulty but not without acknowledging the significant participation of the Italian Government, to which appreciation must always be given.

261. The representative of the Government of Italy expressed pleasure for the fact that whenever discussions centred on training, whether in the ILO or in the United Nations, mention was also made of the importance of the Turin Centre. In recent years, the Centre had successfully developed its action at headquarters and in the field for the training of government officials, experts, trade union leaders and employers. As a source of concrete action in the social field, the Turin Centre deserved constant and even broader support from governments, the social partners, international institutions and an increase in financial support from the Office.

262. The representative of the Government of Sudan expressed appreciation for the Turin Centre and for its programmes, which were related to the goals of the ILO. Particular admiration was extended to the Director and the staff of the Centre, who worked so strenuously and with such dedication to achieve those goals and to serve developing countries.

263. A representative of the Director-General (the Director of the Turin Centre) thanked all of those who had expressed approval for the work of the Turin Centre, thus supporting the payment of the ILO subsidy, which amounted

to 1 per cent of the ILO budget and 6.5 per cent of the Centre's budget. In response to questions posed, he stated that the Turin Centre Development Plan, drafted some years ago, would be complemented by a supplementary plan to be drawn up by the Board of the Centre in November. The plan had three main orientations: the first priority was to reinforce the links between the ILO and the Centre. In this regard, it was clear that the Centre was an ILO centre and that the ILO should use its services, as the Centre could be more associated with the realization of the ILO's programmes throughout the world. It was also apparent that a certain number of technical departments needed training tools and methodologies to spread their messages and the Turin Centre could meet those requirements.

264. As had been the case for several years, the first priority was, therefore, to try to make the Centre more used by, and more useful to, the ILO. The second priority was to open up the Turin Centre to needs beyond those of the ILO because the Centre's capacity outweighed the requirements of the ILO. This aspect had been a constant problem in the course of the Centre's history. The reduced level of technical cooperation among all agencies of the United Nations, notably in the ILO, had only intensified this situation. Accordingly, it appeared natural and desirable that those with whom the ILO was associated, namely the United Nations and the specialized agencies, could also benefit from the Centre's programmes. This orientation had been approved by the ILO's Governing Body and by the Board of the Turin Centre and renewed again last May with precise proposals. On this question, it must be noted that all programmes carried out for other members of the United Nations system were financed entirely by those organizations and achieved a profit equivalent to that of other activities.

265. Second, the programmes for the United Nations and for the other specialized agencies attempted to increase familiarity with the set of ILO principles concerning tripartism, standards and human rights within the ILO's competence. The fact that the United Nations Centre for Human Rights entrusted the Centre with the full management of its fellowship programme provided an opportunity to include ILO standards on human rights in the programme to train foreign affairs' officers, which the ILO had never managed to do previously. Accordingly, this last type of activity represented an opportunity for the ILO that should be grasped and exploited to the maximum.

266. Third, it must be admitted that there had been programmes devoted specially to workers' organizations and employers' organizations. Thanks to the regular budget for technical cooperation, the programme for workers was important and much greater than that for employers. Attempts were now being made to respond to the request made by the Board of the Centre to try to integrate, as far as possible, the participation of workers' and employers' organizations in all of the Centre's courses so that, in addition to special courses, both groups could benefit also from management courses as well as from courses in different areas and disciplines. A list of activities had been sent to the Bureau for Workers' Activities and to the Bureau for Employers' Activities with a request that this information be communicated to workers' and employers' organizations throughout the world to inform them about these courses and to invite them to designate participants.

267. Turning to the third priority of the Development Plan, there was support and collaboration between the Turin Centre and a range of institutions throughout the world, in a way which enabled the Centre to play a central role among these institutions. It was true that the European Training Foundation, recently established in Turin, would provide good possibilities for working with the countries of Central and Eastern Europe. But this same policy of establishing links with other institutions was carried out worldwide. In this regard, reference could be made to ESAMI, East Africa's management development centre, to the Asian Institute for Technology in Bangkok — with which the Centre had signed an agreement recently — and to several institutions in India, as well as to the extremely fruitful agreements which existed between the Turin Centre and the large training institutions of Latin America.

268. With regard to training for small and medium-sized enterprises, this was in fact an extension of those ILO programmes discussed in this Committee: both the training and methodological components of these programmes were designed by Turin and were for its use. The number of women trained at the Turin Centre was high and efforts were being made to further increase this figure, which stood already at around 35 per cent of trainees. Special programmes would also be carried out for women intending to become heads of enterprises.

Major programme 80 — Industrial relations and labour administration

269. Mr. Noakes, speaking on behalf of the Employer members, raised a number of concerns. In general, the programme on labour relations would be focused more on systems than on the practical aspects of labour relations which had seen considerable changes in recent years. Although the programme recognized some of these developments, its response to them was less than adequate. This applied in particular to the issue of decentralization of labour relations, to which the programme replied in traditional or purely systematic terms. The Employer members would have liked the programme to deal with the effects of such decentralization.

270. With regard to the proposed action programme on "Labour and social issues relating to export processing zones", the Employer members expressed their strong reservation about the statement in paragraph 80.9. It was a sweeping generalization to classify working conditions and remunerations for workers in these zones as "inferior to those outside". In fact, they were often higher inside, and, in addition, the zones were a major source of job creation. He also questioned the need to issue guidelines on labour and social issues pertinent to these zones. As far as multinational enterprises were concerned, such guidelines already existed, and national companies were subject to national legislation. If further guidelines were needed, they should emanate from tripartite understanding and not from a study exercise carried out by the Office. In addition, the proposed tripartite meeting on this issue should not be composed of national tripartite delegations. The Employer delegates would be selected by the Employer members.

271. Referring to the subprogramme on labour law and labour relations, the Employers' believed that paragraphs 80.14 and 80.18 seemed to be biased

towards workers' rights and interests as against those of employers. They also expressed strong reservations against the proposed symposium on minimum wage fixing, as, in their view, it could not be expected to produce any meaningful results. On the question of labour administration, technological change and the globalization of trade had not eroded systems of employment and worker protection.

272. Substantial concern was expressed regarding studies related to standard-setting exercises on contract labour and fee-charging private employment agencies. The issue of contract labour was still controversial and no agreement on ILO work on this issue had been reached so far. The undertaking of comprehensive law and practice studies at this stage was, therefore, unwarranted. On the other hand, a consensus on the revision of Convention No. 96 had already been reached during the 1994 Session of the Conference. The Employer members would therefore note with concern the further preliminary work to that revision that was being proposed. It would not be acceptable to them to see the revision delayed due to the Office undertaking other work on the issue.

273. Likewise they criticized the proposed action programme on "Labour inspection and equality of rights of women" for over-stressing the role of labour inspectors, which should remain confined to enforcing existing legislation or collective agreements and not ILO guidelines going beyond these provisions.

274. In conclusion, although the Employer members supported most of the programme, they believed that it should attempt to strike a more appropriate balance between practical and theoretical elements of labour relations and administration.

275. Mr. Trotman, speaking on behalf of the Worker members, emphasized their support for major programme 80 and welcomed the increased resources allocated to it. They would support the action programme on "Labour and social issues relating to export processing zones" and would agree with the statement in paragraph 80.9, as labour-management relations had become a major concern in these zones and workers would indeed find it difficult to claim their basic rights. The Worker members would see the action plan as going a long way in removing abuses and denial of rights to workers. They also supported the action programme on "Labour inspection and equality of rights of women", as equality for women — independently of legal provisions — was far from being a reality. Labour inspectors were not sufficiently sensitive to this issue and should be trained to move beyond current inspection practice. Turning to labour administration, he reminded the Committee that departments of labour were often denied the required resources, even including competent officers. However, employers' and workers' organizations should also receive assistance from ILO units in charge of labour administration, as these organizations were required to contribute competently to the development of labour administration systems, and qualified inputs could be provided only by informed and trained social partner representatives.

276. As regards labour legislation he said that the document correctly observed that labour law, labour relations systems and wage policies were fields of social policy that were being profoundly affected by current political, economic and social change. The proposed symposium on minimum wage fixing would also

be supported by the Worker members. Minimum wages were in practice based on social partner calculations of minimum subsistence incomes for families. Labour legislation should also help the working poor, especially women, to have recourse to labour courts, independently of legal provisions. In conclusion, Mr. Trotman urged that the dramatic changes in the world of work should be seen as challenges to be addressed by governments, employers' and workers' organizations in a spirit of social partnership.

277. The representative of the United Kingdom Government supported major programme 80 and said that it merited its increase in resource allocation since it was one of the most needed, and since it encouraged the promotion of existing standards. He would also favour a revision of Convention No. 96. The issues of contract labour, minimum wages and the action programme on "labour and social issues relating to export processing zones" were not priorities for the United Kingdom to be addressed under this programme item. In particular, the creation of export processing zones emanated from a desire to do away with unnecessary bureaucracy and to create jobs. The ILO should not attempt to place obstacles in the way. However, he acknowledged that these issues were of concern to other ILO constituents, and his Government would be ready to cooperate and provide information to the ILO and other member countries. With regard to the action programme on "labour inspection and equality of rights for women", this would pose problems for the United Kingdom, as labour inspection was not the correct channel for the promotion of equality for women in the United Kingdom system.

278. The representative of the Government of Tunisia expressed his country's support for the major programme as it correctly emphasized the importance of labour administration and the fact that it had to be improved in all countries. He wished, however, to draw the attention of the ILO to the Regional Arab Programme for Labour Administration (RAPLA), as no reference to this project had been made by the document under review. RAPLA, in partnership with the Arab Labour Organization (ALO), the United Nations Development Programme (UNDP), the ILO and the Government of Tunisia, was a highly successful project, as confirmed by all the parties involved, including employers' and workers' organizations. It also served as an example for effective cooperation between the ILO and the ALO. It was the intention of the ALO and his Government to pursue this highly successful and necessary programme against the background of the withdrawal of UNDP financial support, and he therefore called upon the ILO to continue and, if possible, increase its support of this project.

279. The representative of the Government of Egypt expressed satisfaction with major programme 80, and supported the remarks of the previous speaker. Referring to the Director-General's earlier statement, he agreed that an increased allocation for employment programmes was justified. He emphasized also that employers' and workers' organizations would need ILO support in order to get labour legislation implemented.

280. The representative of the Government of Sudan affirmed his approval of the objectives of major programme 80 and in particular of programme 80.3 on labour administration. He referred to the importance of projects for youth, for families and in the informal sector, and emphasized the importance of training. With respect to paragraph 80.30, he urged that the African Regional Labour

Administration Centre (ARLAC) and other forms of international cooperation be strengthened in light of the fact that few resources were devoted to labour departments in developing countries.

281. The representative of the Government of Canada expressed support for major programme 80. The proposal on private employment agencies in paragraph 80.45 was timely and should provide useful information if a Conference proposal to revise the Fee-Charging Employment Agencies Convention (Revised), 1949 (No. 96), was accepted. Her Government had no objection to the study of contract labour, and the proposal for a symposium on minimum wages was a good idea. Although not all participants shared the same view on minimum wages, the different views should be expressed and the different options presented. She also supported both action programme proposals and reaffirmed the importance of tripartite discussions to assess whether or not the concerns expressed in paragraphs 80.9 or 80.28 were well founded. In reference to comments made on behalf of the Employer members concerning the proposed action programme on "Labour inspection and equality of rights of women", she suggested that replacing the word "guidelines" with an expression like "policy options" would be a more neutral approach. The role of labour inspection was to ensure that existing legislation for collective bargaining was properly implemented, and it was not only appropriate but within the parameters of the labour inspection mandate to consider the problems relating to the application of the law to workplace situations to see whether or not the law was really responsive in practice.

282. The representative of the Government of Germany noted with approval that an increase has been proposed to the extra-budgetary resources of major programme 80, commensurate with the significance of the programme. He none the less expressed surprise over the proposed increase in travel expenses, but acknowledged that the change was explained by a shift in emphasis towards labour inspection and labour market administration, which were of particular concern to developing countries and countries in transition. He suggested that multidisciplinary services could be relied upon to keep the overall travel expenses at a constant level. He disagreed with the Employer members with respect to the emphasis on labour relations "systems". Countries in Central and Eastern Europe and central Asia previously had no collective agreements or wage bargaining and needed a theoretical basis to allow change to be implemented. He supported this proposal and pointed out that paragraph 80.23 provided a good example of a relationship between theory and practice. He was impressed by the action programme on labour and social issues relating to export processing zones, and did not share the doubts expressed by the Employer members. He also expressed approval of the action programme on labour inspection and equality of rights of women.

283. The representative of the Government of Kenya expressed full support for the principles and objectives of major programme 80, which he considered to be of key importance to developing countries which were undergoing a process of structural adjustment. He expressed the view that the major programme activities should enable the ILO to extend its much-needed advisory services. In the field of labour administration labour inspection training was useful, and he

supported the proposed increase in resources for the major programme to facilitate implementation of the two new action programmes.

284. The representative of the Government of the United States also voiced full support for major programme 80, but thought that some of the more significant developments in labour relations practice should be taken into account when developing labour relations systems. With respect to the proposed symposium on minimum wage fixing, he also suggested that the focus should not be on whether minimum wages created or destroyed jobs, which was an issue on which research was equally divided, but rather on poverty alleviation.

285. The representative of the Government of Norway indicated that his Government supported major programme 80, and noted that the action programme on labour inspection and equality of rights of women was an excellent proposal. He suggested with respect to paragraph 80.40 that the social partners, rather than labour inspectors, should supervise the implementation of collective agreements. He mentioned that in Norway, equal pay for women was not dealt with through labour inspection.

286. The representative of the Government of the Russian Federation declared his support for major programme 80, which reflected some of the core activities of the ILO. In particular, he expressed agreement with paragraph 80.17 on labour legislation, noting that the transition to a market economy required fundamental revision of labour legislation and, as a result, significant ILO cooperation. He expressed his appreciation to the ILO for providing expertise regarding the new Russian Labour Code. With respect to paragraph 80.21, he stressed the importance of ILO cooperation in the development of tripartism and social dialogue and welcomed ILO assistance to strengthen them in the Russian Federation. Finally, he endorsed the statements contained in paragraph 80.28 on providing cooperation to labour ministries in Central and Eastern Europe. The Russian Federation wanted to draw upon ILO experience in labour inspection, as it was in the process of developing a new state labour inspection system.

287. The representative of the Government of Brazil endorsed major programme 80 and noted that it was opportune to hold a symposium on the issue of minimum wage fixing. He urged that more representatives be invited to attend so that the symposium would have the benefit of information about the various practices that existed around the world.

288. The representative of the Government of Qatar noted that major programme 80 was extremely vital to the world of work. He declared his support for RAPLA, noting that it provided a great service to Arab countries and could assist the ILO in implementing its activities in the region.

289. The representative of the Government of Hungary welcomed major programme 80 and its aim to strengthen labour administration. He recalled that the task of governments in Central and Eastern Europe was unprecedented: the whole economic system had to be restructured, a new attitude towards economic policy developed and a new institutional system established. He requested close and flexible cooperation between ILO experts and governments within the region in the lengthy transition period towards a market economy. The multidisciplinary team in Budapest had a valuable role to play in developing industrial relations and

labour administration in the region, and he expressed the hope that it would provide significant assistance during the implementation of the major programme.

290. A representative of the Director-General (the Director of the Industrial Relations and Labour Administration Department), thanked the members of the Committee for their remarks and comments. Replying first to the concerns raised on behalf of the Employer members with respect to enterprise-level industrial relations, he said that the Department had been, and would continue to be, involved in task forces, surveys and studies carried out by other departments both to examine best practices in industrial relations and human resources management, and to contemplate further ILO contributions towards enhancing such practices in enterprises. All work undertaken under major programme 80, including the action programme on export processing zones, had an effect directly or indirectly on the life of enterprises. The Employer members could be assured that the Department would focus on industrial relations practices at the workplace level, and that its work would not be confined to industrial relations systems. In reply to concerns expressed by the Workers with respect to labour legislation he distinguished between the work of major programme 80 and that of major programme 50 on international labour standards. The ILO had a firm commitment to assist countries to draft legislation that conformed with international labour standards and principles that took account of both worker and employer rights. Conformity with labour standards was, however, but one aspect of labour law and was the concern of the International Labour Standards Department. Another aspect was to ensure that labour law was properly adapted to the individual country, its national cultures, its traditions and its economic environment, and that it provided a suitable framework within which industrial relations could operate under the best possible conditions. This was the concern of major programme 80 and the Industrial Relations and Labour Administration Department. The Office had a constitutional obligation to assist member States and employers and workers were always consulted on the revision of labour law. The Office had decided, from now on, to respond as far as possible to requests from trade unions and employers' organizations for comments on draft legislation. The Department would collaborate with the Bureau for Workers' Activities, the Bureau for Employers' Activities and the International Labour Standards Department, and it was most likely that requests would concern conformity with international labour standards. The proposal in paragraph 80.20 concerning a worldwide survey of national law and practice on contract labour was of particular importance, but it was in no way intended to prejudge the Governing Body's decision on the Conference agenda for 1997, since it was an appropriate subject for investigation whether or not it was retained on the agenda of the 1997 Session of the Conference. He recalled that the proposed research on private employment agencies had been requested in the conclusions reached at the 1994 Session of the Conference, and this work would be important and relevant even if the revision of the Fee-Charging Employment Agencies Convention (Revised), 1949 (No. 96), were to be postponed. Careful note had been taken of the views expressed on the proposed symposium on minimum wages but, in view of the continuing and controversial nature of the subject, the ILO should remain at the forefront of the debate on this issue. As regards the special action programme on export processing zones he said that those who were directly involved in the subject,

namely, national tripartite delegations from countries with export processing zones, would know the subject better and should be involved in the project; the actual composition of the meeting would, of course, depend on future Governing Body decisions. The suggested guidelines might complement a key instrument, that is, the Tripartite Declaration on Multinational Enterprises. He reaffirmed the importance of the special action programme on labour inspection and equality of rights of women, in view of the practical potential of the programme to enhance the enforcement of the ILO standards on equality and labour inspection. Comments on this part of the programme were most helpful and he assured the Committee that the modalities of the programme would be carefully worked out. Finally, with respect to the appeal for support for RAPLA, an examination would be carried out in consultation with the Office responsible for the Arab States and other departments at headquarters to see what could be done to cover the deficit that would result when the UNDP ceased to support the project at the end of 1995.

Major programme 85 — Multinational enterprises and social policy

291. Miss Hak, on behalf of the Employer members, was interested to see that multinational enterprises and social policy had now become a major programme, reflecting the increasing globalization of the world economy. The objective of this major programme was described in paragraph 85.2 as the promotion of wider observance of the principles laid down in the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, which was adopted by the Governing Body in 1977. Since that date many companies had grown into multinational enterprises and it would be useful to include them also in promotional activities. The annual resources allocated to this programme were three staff members, two professional and one general service. In view of the work planned, which included preparation for the Sixth Survey on the effect given to the Tripartite Declaration, examination of requests for interpretation of the Declaration, servicing the Governing Body Subcommittee on Multinational Enterprises, and research on the labour and social aspects of the activities of multinational enterprises, it was doubtful whether these resources were anywhere near enough. The contribution planned to the action programme on export processing zones, if approved, would also require resources. The Director-General should look again at this major programme and ensure that it had enough resources to carry out all its activities.

292. Mr. Tapiola, speaking on behalf of the Worker members, observed that the resources allocated to this programme did not allow for the ILO to pursue any kind of a coherent policy for the promotion of the Tripartite Declaration, nor even to conduct the planned Sixth Survey on its application. It was a matter of serious concern that although this programme had the firm support of Employers' and Workers' members and of many governments, activities within it had been slowly eliminated and very little now remained. The continuing process of globalization of the world economy would have a serious impact on the work of the ILO, yet this major programme was proposing nothing new. This was a major omission in what should be an ILO agenda on globalization and social justice. The Workers

urged the Office to strengthen this programme and make additional resources available. There was even a good case to be made for the addition of two new action programmes under this heading. In the European Union there was a recent directive establishing information and consultation bodies in the major multinational enterprises in the region. This process would extend well beyond the European Union and the Workers recommended that an action programme be set up to study the particular problems of workers in multinational enterprises.

293. The second action programme would concern the employment aspects of multinational enterprises, including the location of jobs. At present it was estimated that for a number of developing countries, multinational enterprises generated one-fifth or more of total paid employment. What was not so obvious was the fact that multinational enterprises were concentrated in modern manufacturing industries, which had implications for economic growth, long-term job creation and employment quality. This second action programme should focus on the effects of globalization on employment and enterprise location. Other United Nations organizations were already working on these matters and the ILO could not afford to be left out. Years ago the ILO had been concerned that other agencies were encroaching on its work and it was partly in response to this that the Tripartite Declaration was drafted and promotional activities were introduced. Now the ILO should not abandon the field where it had real competence, that of labour issues relating to multinational enterprises. The ILO's role and expertise in these areas were well established but they could be developed further and also fed into its other activities.

294. The action programme on export processing zones (major programme 80) would make an important contribution to the activities of the ILO but it should not diminish the resources of major programme 85. In recent years many countries had enacted new labour legislation on this topic and this legislation had not always taken into account the principles of the Tripartite Declaration. There should therefore be sufficient resources in this programme to enable the ILO to respond swiftly to demands for advisory services from member States and from employers' and workers' organizations. In summary, the Workers expected the Office to come up with new proposals for increasing the resources for this major programme.

295. The representative of the Government of Canada recalled that the report of the Multinational Committee presented to the Governing Body in November 1994 had drawn attention to the need to increase the resources for this unit, and it was a matter of considerable regret that this had not been done, especially when both the Employers and Workers had argued eloquently along the same lines. Multinationals were a powerful economic force in today's world and with continuing globalization and the mobility of capital and technology their role would become even more important. The resources planned were clearly inadequate.

296. Research on the labour and social aspects of the activities of multinationals was urgently needed, because there was a lot of misunderstanding on what they were doing and what their future impact was likely to be on the global economy. A solid database would be needed to establish the facts and should logically be set up under this major programme. At some stage in the

future this work could be combined with research findings to produce recommendations on best practice. Some multinationals were already showing the way and they should be publicized as good examples to follow. In concluding, she shared the views expressed by the Employers and Workers that resources for this programme would have to be increased if it was to have a chance of carrying out all its activities.

297. The representative of the Director-General (the Chief of the Multinational Enterprises Section) expressed appreciation to the speakers who had given support to the activities in major programme 85. It was true that the activities described in paragraphs 85.3 and 85.4 of the document constituted an ambitious programme for the Multinational Enterprises Section in the forthcoming biennium, and, unless additional resources were made available, it was unlikely that there would be room for the two additional action programmes proposed by Mr. Tapiola or for the creation of a database requested by the representative of the Government of Canada. He agreed that other organs in the UN system were venturing into activities which were normally the province of the ILO, but this was because they considered them important. The Committee would be aware that the World Bank had issued guidelines to governments on what they should do to attract multinational enterprises to invest in their countries. Similarly, no fewer than 50 countries had enacted legislation to attract multinational investment. It was clear from this legislation that there was much to be done on the labour and social aspects of multinational activities and the ILO would play its full part in giving advice and assistance to member States as well as employers' and workers' organizations who so requested.

298. A suggestion had been put forward by the representative of the Government of Canada that it would be useful to advertise the best practices of multinational enterprises. The ILO had started to do this about 12 months previously but so far there had been little response. When more information was available it could be assembled in a publication and distributed for the use of Members.

Major programme 90 — Working conditions and environment

299. Mr. Hoff, speaking for the Employer members, declared the general support of the Employers for this major programme. As a member from a Nordic country, he noted that the proposals were easy for Employers in his region to accept, but the Office and the Governing Body should remember that constituents in some countries might have difficulty in achieving some of the goals set forth, such as the elimination of child labour. He expressed concern in this connection over the dependence of the International Programme for the Elimination of Child Labour (IPEC) on extra-budgetary funding, because a drop in these resources would jeopardize the programme. He agreed that projects undertaken within the framework of IPEC should be realistic, following a step-by-step approach. The Office should appeal to national and other donors to contribute generously to educational programmes in the target countries as well as to IPEC projects. Turning to other aspects of this major programme, he suggested that it was too easy to blame contemporary problems on new technologies; it was true that there

were problems associated with their introduction, but equally true that new technologies had greatly improved the working environment, and that one needed to have clear knowledge of the facts in any given case before proposing action. With respect to the programme on conditions of work and welfare facilities, the Employer members welcomed the excellent proposal for a survey of innovative enterprise policies in 50 enterprises in ten countries. The results of this study on how the drive for economic growth and competitiveness could be balanced by corporate responsibility would be quite valuable, and he encouraged the Office to make the results of such projects well known to those who could make use of others' experience. On the other hand, the Employers recommended prudence in initiating new standards, especially relatively detailed ones. This was especially true of working time issues, where there was really no role for third parties if workers and employers could reach consensus on their own.

300. Mr. Bonmati, speaking for the Worker members, noted that the improvement of working conditions and the work environment was one of the ILO's goals that had particularly strong support from workers. He felt that the objectives of this major programme should generate less controversy than many others, but nonetheless some were open to criticism. For example, it could be stated more strongly that the improvement of working conditions could stimulate productivity rather than impede it, although the present programme and budget proposals were more emphatic on this point than those for preceding biennia. Like the Employer members, the Workers felt that it was more important to promote existing standards than to prepare new ones. An additional point of concern was the increased involvement of non-governmental organizations (NGOs) in the work proposed under this major programme: they seemed to be benefiting at the expense of workers' and employers' organizations. The Workers supported all efforts by the ILO to combat child labour, and IPEC was especially praiseworthy. The speaker called attention to the activities of the International Council of Free Trade Unions in promoting this work. He expressed concern over the relatively small amount of the regular budget devoted to the struggle against child labour, and spoke out against the expression "progressive elimination", which he felt could be interpreted as a downgrading of the ILO's commitment to that struggle. The proposed action programme was quite similar to initiatives already undertaken at the national level. Furthermore, the programme and budget for the previous biennium had included the elaboration of guidelines as a work item, so the present proposals were nothing new. In consequence, this action programme should be replaced by a more active one, such as one aimed at establishing consensus and joint activities involving the social partners without the participation of NGOs. A further problem with IPEC was felt to be a narrow focus that had limited the participation of unions in its projects. In particular, the ILO had failed to address itself to unions in developing countries, in consequence of which those unions remained ignorant of the valuable training material that had already been published. The speaker noted that the Director-General had said that IPEC would concentrate on national programmes in 12 States and asked if it would be extended to others. The programme and budget proposals made no reference to the Minimum Age Convention, 1973 (No.138), although this was the most important ILO instrument in this area, and too high a proportion of the IPEC activities seemed to involve the elaboration of guidelines. He found the proposals

on the environment and the world of work to be poor, when compared to the Interdepartmental Programme of the previous biennium, and asked if the Office had lost enthusiasm for environmental issues since the international conference in Rio de Janeiro.

301. The Worker members supported the proposals for the programme on occupational safety and health, given its focus on practical intervention and help for constituents. An international standard on the work environment was necessary, and the revision of the Working Environment (Air Pollution, Noise and Vibration) Convention, 1977 (No.148), might be considered. The information-oriented proposals had the Workers' full support. In particular, the International Occupational Safety and Health Information Centre (CIS) was a valuable source of information, whose publications were widely disseminated. Union members did not always have access to the CIS network, and the speaker welcomed the proposed study of the use of CIS materials. He approved the proposals' recognition of the fact that the practical application of information was as important as its production and dissemination, and observed that the ILO *Encyclopaedia of occupational health and safety* had proved itself to be a very useful information resource for trade unionists. The new edition would be especially welcome if it appeared in many languages. In the programme on conditions of work and welfare facilities, the clearing-house on conditions of work was an especially important component, and an effort should be made to follow the use made of the information collected and disseminated by the clearing-house. He welcomed the two forthcoming issues of the *Conditions of work digest*. He also supported the proposal on workers' privacy and objectives on workers' dignity and equality but objected to the proposed active participation of NGOs in a symposium on sexual harassment; he felt that observer status would be adequate. While fully supporting the items on innovative enterprise policies and programmes and the higher productivity and a better place to work for small and medium-sized enterprises initiative (WISE), he emphasized that unions should participate in these activities and asked if the enterprise survey would include developing countries. In closing, he noted that working time was a very large topic, with which the Office had been dealing for many years; he recalled that a meeting of experts on this theme had been held in 1993, where the Worker and Government participants had favoured revision of relevant instruments, but the Employers had not.

302. The representative of the Government of Germany said that this major programme was among the most important and involved traditional as well as modern tasks of the ILO: protecting workers and their health and safety at the workplace from dangers no matter what the cause. These were not just national problems, but crossed boundaries and affected all workers; there were no privileged groups. This major programme represented ideas expressed in the first Conventions of the ILO which were as topical today as they were 76 years ago. He emphasized the significance of IPEC and referred to several concerns expressed by the Worker members. Concerning the reference to the progressive elimination of child labour, he maintained that such reference did not mean that the objective of eliminating child labour was forgotten, but rather that immediately eliminating all child labour when it was confronted was not realistic unless certain steps were taken to avoid the possible negative consequences of its

immediate removal, such as other children replacing the ones removed, children ending up in worse jobs or situations, and loss of needed family income for survival. It was necessary to proceed realistically and address the worst situations first, such as those of children in slavery and children working with hazardous substances. Concerning the need to give attention to education, he said that education, in particular making up for a lack of schooling and vocational training, was a cornerstone of IPEC. To allay fears that since IPEC was financed by extra-budgetary resources the programme could end abruptly if financing ended, he pointed out that five additional countries had recently promised contributions to IPEC and that Germany had announced it would continue its financial support for another five years beyond 1996. The fact that just 12 countries so far were participating was due to the fact that the level of resources available did not allow for action in all the countries with a child labour problem. Instead, programmes in IPEC participating countries could be viewed as model programmes so that others could see that these countries were benefiting. Successes could create trust in the approach and inspire others. There were encouraging signs from IPEC countries. Referring to concern about the involvement of NGOs expressed by earlier speakers, he emphasized that at the outset of IPEC, the programme needed the expertise of NGOs in the receiving countries which had had years of experience with child labour and knew where the most acute problems were. The fact that workers' and employers' organizations were not involved to a greater extent in the implementation of IPEC projects was not due to any intent to keep them out. Both had known about and had participated in the programme from the beginning through their representation on the Steering Committee of IPEC. In recent months, more programmes directly involving workers' organizations had been developed. As mentioned earlier by the Worker members, there were difficulties faced by trade unions in many countries which prevented child labour from being a priority. The representative of the Government of Germany also commented on the action programme to produce a manual on action planning for the progressive elimination of child labour. It was necessary and useful to bring together the experience acquired from the operation of IPEC and other child labour programmes so that conclusions could be drawn, experience shared and future action planned. However, the title of the manual should not be taken to mean that there was a final answer nor be considered as a panacea or substitute for action.

303. The representative of the Government of Egypt welcomed this major programme and stated that it was closely linked to the programmes on employment policies. Eliminating child labour, for example, not only protected children but would help create employment opportunities for adults. He reported that in Egypt, a central unit within the Ministry of Labour, and decentralized units in various cities, had been set up to combat child labour. He referred to the amount of resources devoted to the child labour programme and believed it should be increased.

304. A representative of the Director-General (the Director of the Working Conditions and Environment Department), in response to a question from the representative of the Government of France about when the *Encyclopaedia of occupational health and safety* would be available in languages other than English, reported that an agreement had already been signed for the Spanish version and

that another one was about to be signed for a German version. There would also be a French version. Translation into these three languages would begin within the next few months, which meant that already in 1996-97 there would be versions available in languages other than English.

305. The representative of the Government of the United Kingdom strongly supported this major programme and viewed it as one of the most important. Health and safety were perhaps more fundamental than any other conditions of work and the ILO's expertise in this field was acknowledged worldwide. For example, its work on chemical safety and major hazards had been very influential. The ILO had played a vital role in assisting the International Programme on Chemical Safety achieve the task of coordinating work on the harmonization of the classification system of chemicals and it was hoped that such work would continue. He also supported the continued cooperation of the ILO in the revision of the basic safety standards for radiation protection and appreciated the International Occupational Safety and Health Information Centre. However, it was necessary to take account of and share knowledge and resources with others active in the same fields of safety and health. He also pointed out that there was considerable expertise in the United Kingdom on health and safety and welcomed the close contact with the United Kingdom Health and Safety Executive and the involvement of experts from the United Kingdom in ILO work. Given that the exploitation of child labour was a serious and appalling abuse of human rights, he strongly agreed with the objective of the elimination of child labour as an important objective of this major programme and supported all the child labour activities. He questioned whether there was a pressing need for a new standard on workers' privacy. It was more useful to concentrate on improving the ratification rate of existing instruments rather than adopt new ones which few member States were likely to ratify, and he approved the emphasis placed on promoting a number of existing standards. Any new standards should address global themes of use and relevance to developed and developing countries alike. The revision of the Minimum Age Convention, 1973 (No. 138) would thus be preferable to a new Convention on workers' privacy or consideration of a new standard on working time which he could not support. The Office, in gathering information on working time, should note the experience of countries which did not regulate in this area because they believed that such matters were inappropriate for government action at national or international level.

306. The representative of the Government of the United States reiterated support for action programmes and the results of such programmes. The action programme on safety in the use of chemicals at work was a good example of focusing on results, as it would design and implement a programme of sound management concerning hazardous chemicals at work in full compliance with the Chemicals Convention, 1990 (No. 170). He also agreed with the statements of the representative of the Government of Germany on the action programme on child labour. Because successful mechanisms for addressing child labour were being discovered through IPEC programmes, it was important that the work of IPEC be folded into the work of the action programme. In addition, the experiences of NGOs needed to be evaluated and included in the manual.

307. The representative of the Government of Brazil congratulated the Office on IPEC. He emphasized that the problem of child labour was serious in Brazil, which had already asked the ILO for assistance. There had been some positive results, but progress would be difficult. Brazil had adopted protective child labour legislation, but it was not applied in certain regions in the country, for example in agriculture where children worked to help their parents or in cities where they worked for pocket money. The problem, as everyone knew, was linked to poverty, disintegration of the family, migration, and the like. He concluded that ILO cooperation was needed for this serious problem and thought that the programme should be enlarged.

308. The representative of the Government of Canada wished to lend support to this major programme, but also wanted to comment on the statements made by the Worker and Employer members about the involvement of NGOs. She felt that the statements represented a paranoid and excessively territorial approach to the contribution of NGOs. All of the relevant experience, pertinent input and potential contributions to ILO activities was not necessarily found exclusively within the formal constituency of the ILO. In some cases, such as with child labour and the international symposium on preventing sexual harassment at work, NGOs could make a valuable contribution towards a better understanding of the problems and the development of potentially effective solutions; in many instances they could help provide a better informed basis upon which to make decisions. However, their involvement did not reduce or impede the decision-making responsibility of the three partners. Decision-making still belonged to the workers, employers and governments.

309. A representative of the Director-General (the Director of the Working Conditions and Environment Department) viewed the debate as positive and encouraging, since it demonstrated that there was agreement with the two main ideas underlying the major programme. First, it was illusory to believe that improvements on the employment front could be made on the basis of deteriorating working conditions. On the contrary, it was a basic principle that the Organization would keep up the pressure to improve working conditions. Second, the improvement of working conditions could no longer be considered a constraint; they were key elements in good enterprise management and contributed to the effectiveness of enterprises. Concerning remarks about the involvement of NGOs, he wished to assure the Committee that the true actors in combating poor conditions of work were governments, employers and workers and their organizations. That was why it was essential to strengthen their ability to act in this field and to create mechanisms which permitted their collaboration. But for certain aspects of the major programme, it was also necessary to appeal to other partners to obtain increased protection for workers. This was the case, for example, with improving safety and health in the urban informal sector and in agriculture, where the ILO's natural constituents might not be found, for instance where there were no workers' organizations. This was especially true concerning the problem of child labour. He was particularly pleased to hear support for the programme, especially for IPEC. Every effort was being made to fully implement it. In reference to remarks about the participation of NGOs, he pointed out that when IPEC was launched in 1992, it was normal and necessary that NGOs were

involved, since the search for partners revealed that in the majority of cases, already existing programmes were run by NGOs. Since then every effort had been made to increase the participation of governments and workers' and employers' organizations. For example, during 1992-93 less than 30 per cent of IPEC resources were designated for programmes by ILO constituents, with the rest going to programmes carried out by NGOs. In 1994-95, half the resources were for NGO programmes and half for the ILO's natural constituents. This trend was expected to continue. He emphasized to the Worker members that, except for Thailand, there was not a single country in IPEC which did not have a programme of action with trade unions. Thus, in nine out of ten countries there were programmes with unions, and in some, like Brazil, there were several. In addition, workers' organizations were members of the national steering committees in each country covered by IPEC, which gave them the possibility of submitting proposals for IPEC action programmes with the trade union movement. Referring to the regret expressed about the use of the term "progressive" to qualify the elimination of child labour, he said that the phrasing was not extraordinary. The Minimum Age Convention, 1973 (No. 138), was not opposed to progressive action to eliminate child labour and the International Labour Conference adopted a resolution in 1979 on the International Year of the Child and the progressive elimination of child labour. All Worker members had voted for that resolution. One had to be realistic. The problem was so great and the resources so scanty that it was necessary to have a progressive approach which focused action on the abusive exploitation of working children and on work in particularly hazardous occupations.

310. Turning to the comments that had been made by the Worker members that resources were insufficient for the programme on the environment and world of work, he explained that there could be no expectation that the resources in 1996-97 would attain the level of 1994-95, which was an exceptional biennium due to the interdepartmental project on the subject. However, there would be specific activities on the environment and sustainable development in six major technical programmes and at the regional department level. In addition, there had never been in major programme 90 more activity on the general environment than now due to the substantial reinforcement of activities on chemical safety.

311. Mr. Bonmati, speaking for the Worker members, explained that when he had criticized the use of the word "progressive", he was not calling into question the fact that such a high calibre programme as child labour could not be completed overnight. On that, he agreed with the analysis of the representative of the Director-General and representative of the Government of Germany. The problem, however, was conceptual: the ILO should say it was against child labour to make the commitment clear. The solution, of course, would be reached gradually. On the issue of NGOs, he stated that his criticism of the linkage between NGOs and this major programme was not a matter of paranoia. He understood the contributions NGOs could make, but the question was whether this programme gave an excessive role to NGOs as opposed to the fundamental concept of the tripartism of the ILO.

312. Mr. Thüsing, on behalf of the Employer members, pointed out that in light of the ongoing evaluation exercise of this major programme, its contents could not be defined prior to the meeting of the Committee on Sectoral and Technical Meetings and Related Issues (STM) to be held the following week. The proposals represented a framework which properly reflected the agreement reached so far on the evaluation of the major programme, including the organization of 16 meetings for the biennium 1996-97, three of which had already been selected. He indicated that the Employer members would have preferred fewer meetings, thereby giving emphasis to quality rather than quantity. Moreoever, care should be taken to avoid duplication of meetings organized by the ILO, particularly in view of the need of the Groups to be adequately represented. The savings of US$1.5 million mentioned in the proposals were the result of a reduction in the duration of meetings by two days and in the overall number of participants. He hoped that these savings would be used for follow-up activities.

313. Mr. Gray, on behalf of the Worker members, agreed that the text accurately reflected the state of progress of the evaluation of the programme. He was satisfied that the resources allocated had been maintained at the same level as in the 1994-95 biennium. The Worker members felt that the savings resulting from shorter meetings, together with the expected extra-budgetary resources, should be devoted to follow-up activities which would be the basis of more sustained and coherent support and servicing of the ILO sectoral constituents than had been the case in the past. However, they questioned whether the Office could provide these services with the same level of staff resources. In addition, the Worker members strongly urged that activities on hotels and tourism remain in this major programme; in their view the inclusion of these activities under major programme 65 (Enterprise and Cooperative Development) was unacceptable. Mr. Gray drew attention to a small correction required to paragraph 100.6 of the programme and budget proposals document. In November 1994, the Governing Body had agreed that the Tripartite Meeting on the Globalization of the Footwear, Textiles and Clothing Industries to be held in February 1996 should be composed of 18 delegations and not 15. In conclusion, he expressed the hope that this programme would be carried out in close collaboration with other major technical programmes.

314. The representative of the Government of the Islamic Republic of Iran underlined the positive outcome of the STM's Working Party on the evaluation of the Sectoral Activities Programme and the important role of the Sectoral Activities Department. The conclusions adopted by sectoral meetings and research undertaken on sectoral issues should form an important input to other technical as well as standard-related activities of the Organization, and there was a need for further integration of sectoral activities in the overall programme of the Organization, which would require additional resources and staff. The savings resulting from more streamlined and focused meetings should be used for further research and regional technical cooperation activities. Finally, he expressed the hope that other departments would follow the example of this major programme in submitting its activities to evaluation by the ILO's constituents.

315. The representative of the Government of the United Kingdom expressed her satisfaction with the outcome of the reform process, and hoped that the substantial savings achieved would be used for productive follow-up activities.

316. The representative of the Government of China expressed his full support for this major programme, particularly the new structure of sectoral meetings. His own country had derived great benefit from participation in such meetings in the past, especially as regards enterprise reform and the improvement of working and living conditions. He believed that this programme should carry out research at the national and international levels to assist the various industrial sectors in dealing with the rapid changes currently taking place world-wide.

317. Miss Mackie, speaking on behalf of the Employer members, stated that they did not support the request made by the Worker members to return the hotels and tourism activities to this major programme. They believed that it was sensible and practical to include those activities under major programme 65, as proposed by the Office.

318. A representative of the Director-General (the Director of the Sectoral Activities Department) very much appreciated the supportive statements made, which he found most encouraging. The evaluation process, which had lasted some 18 months, had led to the formulation of a new system of sectoral meetings which would take effect in 1996, the 50th anniversary of the ILO's industrial committees. It was now up to the constituents and the Office to ensure the success of this new system. As Mr. Thüsing and Mr. Gray had commented, the programme as presented was merely a framework, and the sectoral modules which would complement these proposals would be discussed by the STM the following week. This innovative, modular approach should allow greater emphasis to be placed on follow-up activities and on the integration of sectoral activities within the overall programme of the Organization.

Major programme 110 — Social security

319. The representative of the Employer members, Miss Mackie, expressed general support for this major programme, which was a valuable part of the work of the Office. She welcomed the proposals in paragraph 110.7 on reforming and developing social protection systems, although she thought that the regional seminars mentioned should be held only if they met a clearly identified need. She also supported the subprogramme mentioned in paragraph 110.8, which recognized the problems and faults of some social security schemes. However, because of the widely differing circumstances found in various countries and recognized in paragraph 110.11, she believed that practical and relevant advice might be of more value than the manuals which were proposed. She particularly endorsed the statement that consideration should be given to either public or private schemes or some mixture of the two, as might be appropriate in particular circumstances. Finally, she acknowledged the value and expertise of the International Actuarial Service, but questioned the relevance of standard performance monitors, given the diversity of national circumstances she had mentioned.

320. Mr. Naik, speaking on behalf of the Worker members, noted that in recent years social security, and more broadly, social protection, had acquired greater prominence in the ILO, which was confirmed by a 9 per cent real resource increase and three action programmes for this major programme. He commented, however, that social security was also becoming more controversial. It was therefore vital that the ILO set out clear principles, underpinned by the relevant international labour standards, to guide its work on social security, especially in providing technical cooperation and advice. He recalled that the Director-General's Report to the 1993 Session of the International Labour Conference had emphasized solidarity as the foundation of an effective system of social protection, which was undoubtedly an area in which the State must continue to assume the chief responsibility. If all these factors, along with a recognition of the role of the social partners, were incorporated into the design and implementation of social security systems, the ILO would be equipped to play an important role in the social security reforms now taking place. As in the past, the Worker members stressed that social security provision was closely linked to employment policies. The strain on social security systems in many countries was due to misguided employment policies which had generated an unacceptable level of unemployment with which the social security systems were not designed to cope. He affirmed the support of the Worker members for the intent of the three action programmes, although it was not clear how they could be distinguished from the other activities in this major programme. The action programme on safety nets, social assistance and prevention of poverty, paragraph 110.9, was an exception, but the output was only a monograph. He welcomed the ambitious objective of the action programme in paragraph 110.7, to develop a general framework for reforming social security policies, as long as it was made in conformity with ILO standards. The remaining proposals for the major programme concerned improving the administration and governance of social security programmes, which was also the objective of the action programme in paragraph 110.8. It might therefore be advisable to delete this action programme and consolidate the activities into other related training work. He affirmed that the Worker members would support the activities under the subprogramme on financial, actuarial and statistical services, which were for the most part a continuation from the previous biennium with two new elements: an extension of the ILO actuarial model and the development of performance indicators. In conclusion, Mr. Naik raised a question about the social protection of migrant workers since he wanted to see effective follow-up of the 1994-95 interdepartmental project. He also noted that there was nothing proposed concerning equality of treatment in social security despite the recent tripartite expert meeting on the subject and the continuing need for ILO work in this area.

321. The representative of the Government of the United Kingdom expressed strong support for this major programme, which was a key priority for the ILO. She also noted that this was a subject in which the ILO had a clear competitive advantage, with special expertise to contribute to the international community. The three action programmes were also strongly supported. However, she agreed with the view expressed by the Employer and Worker members that although the objectives of the action programme were clear, the Office might wish to

reconsider the outputs, in particular whether other kinds of outputs might be appropriate.

322. A representative of the Director-General (the Director of the Social Security Department) explained that the major programme had four main directions, which were mutually reinforcing. The first was the reform of social security systems, which was occupying many countries in all regions. The second concerned the governance of social security schemes, including their operational and managerial efficiency. Third was the large problem of extending social protection to uncovered workers, and fourth, the question of training social security managers. He recognized that some aspects of the programme had to be downplayed, such as migrant workers and equality, although these were partly treated elsewhere. He agreed to address the point that had been made that outputs of the major programme should be more clearly defined and carried through more directly to the constituents.

Major programme 115 — International Social Security Association

323. Mr. Arbesser-Rastburg, speaking on behalf of the Employers, expressed his support for the resources provided by the ILO for ISSA activities. The budgetary amount, which totalled US$594,420, would be used for the financing of several activities, mainly aid to ISSA members in developing countries and the maintenance of the ISSA social security information system.

324. Mr. Naik, speaking on behalf of the Workers, asked the Director-General for a report on ISSA activities so that it may be assessed independently, and wondered whether the cost of premises and administrative facilities provided by the ILO to ISSA was included in the subsidy indicated in the budget proposals. As well as ISSA, there were two other external bodies supported by the ILO and there might be ways to achieve savings by looking at some kind of package subsidy scheme for all three.

325. The representative of the Government of India, speaking on behalf of the Asia-Pacific group, announced that the 25th General Assembly of ISSA, in November 1995, would be hosted by Indonesia in Bali.

326. A representative of the Director-General (the representative of the Secretary-General of ISSA) thanked the Employers' representative for his support. As for the request by the Workers' representative, he said that a report on ISSA activities could certainly be prepared, and would show to what extent ISSA's and the ILO's activities were coordinated and complementary.

Major programme 120 — Statistics

327. Mr. Arbesser-Rastburg, speaking on behalf of the Employer members, expressed support for this major programme. He underlined the need to recognize the significance of good statistics, because bad statistics would lead to the adoption of bad policies. The action programme on setting standards for statistics on income from employment was very important, as it provided a yardstick for countries to make international comparisons; it also permitted a distinction to be made between wage costs and associated costs with respect to self-employed

workers. The Tripartite Meeting of Experts (referred to in paragraph 120.7), to be convened in 1997, would examine the concepts for the measurement of income from employment. Developing and transition countries, in particular, needed yardsticks to help them develop their own wages policy. Yardsticks were also needed for the other action programme on standard setting for underemployment; they were essential as a means of comparison and should be developed still further.

328. Mr. Shmakov, on behalf of the Workers' group, confirmed support for this major programme which was the basis for an effective implementation of other key ILO programmes. It was necessary as a conceptual guide for many of the ILO's activities, including that of the defence of workers' rights. Fundamental changes were taking place in the labour market everywhere, particularly in transition countries, and these changes could be measured objectively only by means of reliable internationally comparable statistical data.

329. In connection with the development of international standards, he emphasized the importance of the work to be undertaken by the Sixteenth International Conference of Labour Statisticians in 1998 and the Tripartite Meeting of Experts the year before. A review of the classifications for statistics of occupational injuries and diseases was essential; this would be carried out in consultation with the experts working on programme 90.2 (Occupational safety and health) and the WHO, and would provide the basis for a draft resolution to be submitted to the Sixteenth ICLS.

330. Mr. Shmakov felt that the two action programmes were more the regular work of the Office than of special projects and asked who was going to coordinate the programmes. He emphasized the importance and timeliness of STAT's cooperation with major programme 125 (Development and technical cooperation) which aimed at developing inter-agency collaboration in reviewing the existing methodologies and setting standards for the statistical measurement of poverty. He concluded that major programme 120 should not only supervise the implementation of the Labour Statistics Convention, 1985 (No. 160), and the Convention concerning statistics of wages and hours of work, 1938 (No. 63), but should also promote their ratification by new member States; furthermore, the eight special databases, referred to in paragraph 120.18, should be more open and accessible to users, in particular to workers' organizations, otherwise their effectiveness might be doubted.

331. The representative of the Government of Egypt pointed out the importance of this major programme, particularly as a future aid to countries in their efforts to alleviate the impact of unemployment and poverty. It was necessary to achieve uniform models on which to build follow-up activities, and he felt that this should be done in coordination with the other programmes, 125 and 160.

332. A representative of the Director-General (the Director of the Bureau of Statistics) expressed his thanks for the support received for this major programme. He agreed that the programme contained two specific separate action programmes which, although still part of the regular work of the Bureau, had been singled out as separate action programmes because they led to specific outcomes. They would be coordinated by the Bureau of Statistics with the help

of EMPLOI. With regard to the accessibility of STAT's databases, every effort was being made to make information available to users on diskette and directly on-line via the International Computing Centre, although this link was at present limited to international agencies. It was hoped that other commercial data-dissemination systems could be used in the future. Concerning Conventions Nos. 63 and 160, the Bureau was encouraging countries, through its technical cooperation programmes, to ratify these wherever possible.

Major programme 125 — Development and technical cooperation

333. Mr. Tabani, speaking on behalf of the Employers, quoted the resolution adopted by the Conference in 1993, which stated that "technical cooperation should remain a major means of action for the attainment of the objectives of the ILO", and stressed the importance of this programme. He noted with alarm that 1 billion people in the developing world, about one-third of the population, lived in poverty. This number was growing at about 2 per cent a year, the same rate as that of the population. The number of urban poor would rise from 330 million in 1988 to over 600 million by the end of the century. With the massive efforts needed for poverty alleviation in the informal sector, for women and other disadvantaged social groups, for rural workers, homeworkers and for human resource development, he found it most disheartening to see that the extra-budgetary resources for this important major programme had been reduced by 33 per cent. In fact, extra-budgetary financing from UN sources had fallen from $38.7 million to $15.2 million, a reduction of about 60 per cent. If one accepted that the major themes of the Social Summit were poverty alleviation and employment promotion, then justice was not being done to this major programme.

334. While requesting clarification as to the reasons for the reduced allocations, he stated that the programme was acceptable to the Employers' group, in the light of the statement in paragraph 125.4 which read: "the major programme will also be responsible for ensuring that technical cooperation activities take into account the strategy for technical cooperation discussed by the Governing Body Committee on Technical Cooperation in November 1994 and that they are also consistent with the development policies advocated by the ILO, including the need to promote tripartite and popular participation and to enhance national and local institutional capacity".

335. Mr. Mayaki, speaking on behalf of the Worker members, reminded the Committee that this was an important, new major programme whose resources, including those expected from extra-budgetary sources, made it the second largest in the ILO. It resulted from a fusion of activities formerly found in major programme 60 (Employment) and 150 (Technical cooperation), a combination which was not necessarily coherent. This major programme was responsible for providing technical cooperation services which could sometimes duplicate the work of other major programmes. Its stated objectives coincided with those of major programmes 60 on employment issues, 65 on the informal sector, 70 on the development of human resources, and 90 in the case of its excellent programmes for women workers and homeworkers. Major programme 125 was also responsible for the formulation of technical cooperation policy. The promotion of

technical cooperation activities also constituted a major link with major programme 245 on active partnership, but he wondered whether this link was entirely logical. Given these reservations, the workers supported a number of elements in the general orientation of this major programme. The most positive were the commitments toward the alleviation of poverty through job creation and social protection based on ILO's standards. It was important to underline this orientation despite the fact that paragraph 125.3 did not make mention of the debate during the 1993 Session of the Conference and at the Governing Body in November 1994 which highlighted the complementarity between technical cooperation and standards.

336. In accord with the overall priorities of the ILO, this major programme had been given a large share of extra-budgetary resources for the alleviation of poverty. The Committee should reflect upon the need for controls that could be put in place without curtailing the ability of the Office to carry out its tasks. It was unfortunate that no mention had been made of the important work accomplished by the International Institute for Labour Studies on the alleviation of poverty. There should be a closer collaboration with major programme 120 on Statistics for the development of relevant data on this topic.

337. Care should be taken that the attention being paid to the informal sector was not detrimental to the formal sector. No one should lose sight of the fact that the informal sector was a consequence of poverty, and that the latter could not be eradicated without the integration of the former into the formal sector, an important objective for the ILO. The guidelines to assist the social partners, local authorities and informal sector organizations in the design and implementation of informal sector programmes, described in 125.18, had the support of the Workers, but paragraph 125.16 remained ambiguous. In this regard, the ILO should encourage trade unions to develop their activities on behalf of the workers in the informal sector, rather than developing different kinds of organizations. The Workers' group also supported the employment-intensive programmes, for which the ILO had solid experience with good results. However, clarification was required on paragraph 125.22 on the promotion of the private sector by encouraging local participation and small contractor execution of public works.

338. Paragraphs 125.24 and 25, concerning women and other disadvantaged social groups, were aimed generally in the right direction but the Workers would be happier supporting the action programme for women's employment and participation in social funds if it were more specific. They supported the ILO's work in assisting rural workers' organizations, notably through the promotion of Convention No. 141, and encouraged closer coordination with the activities described in paragraphs 19 and 21 of major programme 230 (Workers' activities). They strongly supported the proposal to share the knowledge on home work acquired in Latin America and Asia, because the activities in this area would necessarily be affected by the instruments to be examined in 1996 in favour of homeworkers. Emphasis should be placed on the social protection of workers rather than on how to raise their productivity as stated in paragraph 125.27. The regional workshop foreseen in Latin America had the support of the Workers, but the group reiterated its concern at the participation of NGOs. There appeared to be no good reason for the integration of population issues in this major

programme and the activities proposed seemed too general to be properly understood. The Workers supported the activities concerned with the International Decade for the World's Indigenous People and confirmed that they should concentrate on the promotion of Convention No. 169. The ILO should not continue to refer to indigenous populations when it was clearly established by the 1989 and 1990 Sessions of the Conference that the correct term was indigenous people. The Office's report on the Social Summit should be examined critically to ensure that the objectives and programmes designed for its follow-up were successful in the context of this major programme, which after all had primary responsibility for poverty eradication.

339. The Workers strongly endorsed the implementation of the new strategy for technical cooperation. It included the mobilization of dwindling resources at a time when donors were changing their way of working. Emphasis should also be given to the different directives adopted by the Conference and the Government Body concerning the designation, control and evaluation of the activities undertaken. This strategy should also play an important role in the effective functioning of the active partnership policy, but the text did not give any indication of how this interaction would be ensured. Referring to the distribution of extra-budgetary resources between the large major programmes, he expressed the fear that activities would have to be planned in accordance with the priorities of the different donors, and that this would hinder the ILO in following its own strategy. In this regard, he called upon the Office to adhere strictly to the decisions taken during the 1993 Session of the Conference and by the Governing Body in November 1994. The Workers also strongly supported the close link between technical cooperation and standards, in close cooperation with major programmes 50 (International labour standards) and 245 (Active partnership), but they would like to have some indication from the Office as to how this cooperation could be ensured. They also supported the improvement of the system of control and evaluation of the technical cooperation programme but requested that review procedures be put in place so that the Governing Body could be fully informed on these activities. Mr. Mayaki closed by expressing the support of the Workers for cooperation with the World Food Programme and other organizations in the United Nations family.

340. The representative of the Government of Tunisia, speaking on behalf of the African Government group, expressed his support for this major programme which was of special interest for developing countries in general, and Africa in particular. The resources allocated for this programme were insufficient, both from the regular budget as well as from the rapidly declining extra-budgetary sources, but it was hoped that this programme would be allocated part of the resources reserved for the follow-up of the Social Summit in Copenhagen. The group expressed its hope that a fair share of this programme's activities would be devoted to Africa which had a great need for the ILO's services in activities aimed at poverty alleviation. The best possible use should be made of available funds and he encouraged the Office to improve the efficiency and cost-effectiveness of technical cooperation programmes.

341. The representative of the Government of China expressed full support for this useful and practical programme, which was realistic and aimed at meeting

the urgent needs of developing countries. Various aspects of major programme 125 were crucial to developing countries, for instance in the reduction of poverty, both urban and rural; the development of the informal sector; the creation of jobs, particularly through the labour-intensive programme; projects for the participation of women and promotion of equality; rural development, and the protection of rural workers. He was disappointed at the reduction in the resources, from both regular budget and extra-budgetary sources, however, and he urged the Director-General to provide additional resources for this important programme.

342. The representative of the Government of Netherlands reiterated his strong support for this major programme, particularly in view of the active partnership policy, which could also be a useful instrument for the implementation of the recommendation of the Social Summit, but regretted that no explicit reference had been made to technical cooperation in the presentation by the Director-General on the Copenhagen Summit. The reduction of extra-budgetary resources due to the drop in UN contributions was also most regrettable, and he wondered about the status of the resource mobilization strategy endorsed by the November 1994 session of the Governing Body, particularly with regard to the European Union. It was not at all clear whether the estimates of available extra-budgetary resources used in the text were still valid, and it would be interesting to know how accurate the estimates of the previous biennium had been. Finally, he inquired whether the activities described in paragraph 125.20 focused solely on infrastructural works or whether other sustainable employment activities could also be implemented under this subprogramme.

343. The representative of the Government of Sudan supported the comments of the representative of the Government of Tunisia, who spoke on behalf of the African Government group, and congratulated the Office for the proposals in this programme aimed at combating poverty. It was a matter of great concern that the application of varied systems of aid in developing countries had been the cause of so much frustration, and he suggested that where there was a lack of resources, the emphasis should be towards improved labour productivity, particularly in the agricultural sector. He urged the Office to ensure coordination of this programme with programmes 60 (Employment) and 250 (Africa). In view of the fact that resources assigned to this programme were insufficient, the Office should intensify its efforts to obtain funds from other sources, particularly the United Nations, in the light of the outcome of the Copenhagen Summit. The ILO would be more credible if it could ensure a fairer distribution of scarce resources.

344. The representative of the Government of India, speaking on behalf of the Asian Government group, highlighted the importance of programmes aimed at poverty alleviation and combating unemployment. In view of the importance of technical cooperation activities it was disappointing to see such a large reduction in budgetary resources. The challenge would be now for the ILO to come up with programmes which responded to the needs of its constituents using the demand-driven approach.

345. A representative of the Director-General (the Director of the Department of Development and Technical Cooperation), assured the Committee that all points raised would be taken into consideration. Full attention was being given to the links between technical cooperation and standards, and the strategy

for resource mobilization was in the process of being implemented and would be reported to the officers of the Technical Cooperation Committee in June. It would contain a number of very precise steps to be taken vis-à-vis every major donor, including the European Union. Negotiations with the Union continued, and very shortly there would be a visit by one of their senior officials to the ILO. The major obstacle to this programme, declining resources, was one which was facing the ILO as a whole. Although this programme intended to establish, contribute and enhance the partnership between donor and recipient countries, particularly in the regions which still suffered from poverty and unemployment, the task was not easy. Declining extra-budgetary resources was a major, but hopefully temporary, trend. With events like the Social Summit and the Beijing Conference, the international community was initiating a new generation of international cooperation and the ILO would be ready with specific strategies to play its full part. It was for this reason that the Office had maintained its optimistic estimate of US$190 million for extra-budgetary resources. He concluded by assuring the Committee that top priority would be given to the recommendations for follow-up to the Social Summit.

Major programme 130 — International Institute for Labour Studies

346. Mr. Anand, speaking for the Employer members, said that the Institute inspired confidence in developing key policies and programmes, and an example of this was the outstanding quality of the recent publications on poverty and social exclusion. The Institute had a distinctive role to play in conceptualizing several new areas, notably that of enterprise development. The Institute was also carrying out innovative research which should be injected into ILO programmes, thereby strengthening exchanges between ILO departments and the Institute. The Employers welcomed the Institute's mix of idealism and practical concerns as reflected in its internship courses, but the training and internship function of the Institute could usefully be extended to the regions. Recognizing that sustaining excellence in the field of social research required personnel of high intellectual and emotional maturity, vision and sensitivity, the Employers underscored the importance of ensuring that both the Institute and the Turin Centre were able to secure the highest quality personnel.

347. The Employers had earlier approved of the suggestion that efforts would be made to recoup all or part of the cost of the *World Employment* report as an expenditure relevant to the Social Summit, but suggested that any funds recovered be allocated to the Institute to further its work on problems of poverty and employment promotion.

348. Mr. Sandos, on behalf of the Worker members, was pleased to note that the proposed Institute budget would be increased by US$90,000. This was of particular importance in view of the personnel shortages that the Institute had experienced following the budget cuts of recent years. These cuts had been too heavy, however, and the Worker members urged that measures be taken to relieve the Institute's budgetary pressures. The Workers supported the three areas of concentration proposed by the Institute, and regarded the proposed focus on social cohesion as a logical outgrowth of the Institute's work on globalization and labour

markets. In pursuing this topic, however, it would be indispensable to go beyond abstract concepts and get to the questions touching on the reality of work. The end of the cold war had brought neither peace nor social progress, but rising inequality and grave social ills, particularly in the young democracies of Africa and Eastern Europe. The rise of precarious employment of all sorts was in evidence, as was the problem of persistent unemployment in industrialized countries and its link to racism and xenophobia. For the Workers, social cohesion was no more than the extension of social protection to all workers and to all marginal groups, whether these were in the informal sector or rural areas or, in particular, among women.

349. As to corporate governance and the future of work, globalization and new technologies had changed the behaviour of enterprises. It was imperative that enterprises assume their social role rather than profit maximization alone, and that enterprises respected and applied ILO Conventions everywhere, including in the expanding number of export processing zones. Of particular importance were the Conventions relating to forced labour, child labour, freedom of association, the right to organize and bargain collectively, and non-discrimination. The Worker members supported employment creation, but not employment under any conditions. They appreciated the Institute's role as an interface with the rest of the ILO, worker organizations, and research institutes, but some ILO departments could take better advantage of this relationship. With reference to the Institute's research on poverty, he expressed surprise that the ILO had not used this work as a means of establishing better indicators on the levels of poverty around the world; for example, there was no mention of appropriate indicators on the evolution of poverty in paragraph 125.12 of the proposals. Finally, the Worker members appreciated the diverse publications of the Institute, but noted that the majority were published only in English. Making them available at least in French and Spanish as well would broaden their access to worker organizations.

350. The representative of the Government of India reiterated the support for Institute's activities made by the Asian Government members in their general statement. They were in favour of the concept of "rolling plans" by which the Institute built on the results of its earlier work. The Institute's role in bringing the academic community and ILO constituents together was of great importance, and he was particularly interested in the idea of examining changing enterprise strategies, changing technology, and the content of jobs within enterprises. The Institute's detailed proposals in this area were awaited with great interest.

351. The representative of the Government of Canada also wished to express support for the very valuable work being undertaken by the Institute. At a time when far-reaching changes were taking place around the world, a think-tank to stimulate research and analysis was needed by the ILO.

352. A representative of the Director-General (the Director of the International Institute for Labour Studies) thanked all for their expressions of support. The suggestions and comments of Committee members had been of great value, and the Institute would take specific account of these as it prepared its detailed proposals in the final programme and budget.

Major programme 140 — Equality for women

353. Miss Hak, speaking for the Employer members, noted that, while this was an interesting programme, it was fairly clear that the priorities and objectives set forth in paragraph 140.4 were too heavy for the resources allocated to this programme. It would be wiser to establish a list of priorities, especially as the Employers were of the impression that little progress had been made in the coordinator's relationship to other ILO departments. Each department appeared to defend its own jurisdiction when it considered women's issues, and the role of the coordinator was thus not successful. Merely giving additional money would not solve this problem; it was more a question of reconsidering the function of the coordinator, and redressing problems if there were any. As to the programme itself, the Employers would await the outcome of the Beijing Conference before considering the ILO's role in implementing any results. The Employers were unwilling to give a "blank cheque" in this regard, especially as they had not yet seen any contributions from the ILO to that Conference. Concerning the programme's reference to NGOs, Miss Hak advised that the Employer position on NGOs would be communicated by Miss Mackie.

354. Speaking for the Worker members, Mr. Tapiola expressed regret that additional resources had not been proposed for this programme. While supplementary funds had been allocated in the present biennium for work on the preparation of the Beijing Conference, it was likely that that Conference, like the recently concluded Copenhagen Summit, would have a follow-up for which additional funding would be required. Mr. Tapiola also noted with concern that women's employment issues had not been dealt with in a satisfactory manner in the draft papers for the Beijing Conference. The ILO obviously was not as well off with the preparations of this Conference as it had been with the Copenhagen Summit process.

355. The Office-wide advisory and coordinating function on women's issues was deemed important by the Worker members. It was essential to integrate equality components into all technical and regional programmes. Commitments were often made in this area, but it was difficult to evaluate whether they were being acted upon. It was, for example, difficult to judge whether the 1992-93 interdepartmental programme on equality had been followed up. Equality components should be built in from the beginning of programmes, rather than added on later. Finally, Mr. Tapiola felt that the programme should recognize that women's skills were undervalued, and that the vulnerable position of women was often compounded by other disadvantages relating to family circumstances and particular regions, such as rural areas.

356. The representative of the Government of the Netherlands noted with satisfaction that, although progress had been limited, resources had been shifted to programmes of substance with savings arising from cuts in conferences and other similar activities, but it was unfortunate that major programme 140 had not been among those to benefit. There was a danger that the very existence of this programme could imply that the problem had been dealt with, but this was not so. The programme on equality for women, including technical cooperation activities, still required strengthening.

357. The representative of the Government of Canada recalled her Government's general satisfaction with the programme and budget proposals with two exceptions, the programme on multinational enterprises and the programme on equality for women. It was true that over several years concrete progress had been made towards the equal treatment of men and women, one of the most crucial human rights areas, but much more needed to be done. A culture of equality was not so embedded in the ILO that the role of a coordinator was no longer needed. The coordinating function needed to be strengthened and supported at the highest level of the Organization. Employer members had already pointed out it was not possible for one professional official to perform all of the programme's proposed functions, and serious consideration should be given to at least a modest increase in the resources of this programme.

358. The representative of the Government of Norway wished to associate himself with previous speakers in their support for this major programme. Norway attached great importance to equal opportunities for women. The programme, however, represented only 0.13 per cent of the regular budget, which did not seem to indicate a high-priority status. The programme consisted of only one Professional, moreover, and there were far too many important functions required in the programme, as well as the activities likely in the preparation for the Beijing Conference. He recommended that the programme be strengthened by the addition of at least one Professional official, which would contribute to a more important objective: the integration of equality for women in all the ILO's activities.

359. The representative of the Government of China recalled his statement of support for this programme during the general discussion. It was time to accord much greater importance to this programme than in the past, and in view of the volume of activities described in the proposals he wished to associate himself with previous speakers who had called for an increase in the resources allocated to this programme.

360. The representative of the Government of Australia expressed extreme disappointment at the low level of resources devoted to this programme. In agreeing fully with previous speakers she was appalled at the lack of attention to women's employment in the draft documents for the Beijing Conference, and hoped that the programme's resources would be increased so that at least a proper follow-up of the Beijing Conference would be possible.

361. The representative of the Government of the United Kingdom believed that the ILO had made some progress in the area of equal opportunities, as reflected in the composition of senior officials of the Office, but the composition of the Governing Body suggested that additional progress could be made. She associated herself with the previous speakers who had called for greater resources for this programme.

362. The representative of the Government of Chile also wished to associate himself with those who had recommended additional resources for this programme. It was regrettable that a request last year for more staff and more funding to be made available to the special advisor had not been acted upon.

363. The representative of the Government of Italy recalled his statement of support for this programme made in the general discussion, and was gratified that

many previous speakers shared his view on the importance of equality of treatment for women. There should be proper follow-up to the Beijing Conference which ideally would see more resources allocated to this programme in future and more attention given to the issue of equality for women around the world.

364. A representative of the Director-General (the Deputy Director-General responsible for the Development and Technical Cooperation Sector), thanked those who had so strongly supported the programme. She was pleased that several male voices had also been heard, which meant that the ILO itself was becoming more attuned to the issue of equality of treatment. She had taken note of the point that the programme appeared larger than the resources available for it, but wished also to draw attention to the fact that the programme had now acquired the status of a major programme. This change alone would increase its visibility and impact.

365. She assured Committee members that the women's issue would remain in the forefront of ILO attention. There had been significant changes in the ILO's organizational structure, in the context of which women's issues were now more prominent, with representatives of all major departments now meeting periodically with the special advisor. Specialists at the regional level also existed in the regional departments, and, during the present Governing Body meeting, regional directors had been urged to ensure that each of the multidisciplinary teams also had a focal point on women's issues. In this way, the work of the programme would be spread throughout the ILO's structure. Since gender issues ought to be rationalized and it should not appear that one unit alone was doing all the work.

366. She expressed gratitude for the assistance given by the Government of the Netherlands in formulating a training package which with the help of the Turin Centre would be used to train all ILO staff. The Bureau of Programming and Management had just published guidelines on equality issues for use in the design, monitoring, and evaluation of ILO programmes. It was true that employment and labour issues had so far not received sufficient emphasis in the programme of work for the Fourth World Conference for Women to be held in Beijing later this year. The ILO had unfortunately not had quite the same control in the preparatory process as it had in the World Summit for Social Development, and a paper on this subject was to be considered by the Committee on Legal Issues and International Labour Standards. Efforts were still being made to enlarge the treatment of employment issues for women on the agenda of that Conference, and the Governing Body would be informed at the conclusion of the Beijing Conference on the follow-up implications for the ILO. This was a special year for women and the support of Committee members for this programme was much appreciated.

Major programme 145 — Programme Flexibility Reserve

367. Miss Mackie, speaking for Employer members, said that it might be appropriate to set aside a reserve of funds that were not identified with any specific activity, but when the conditions for the use of this reserve were compared with those governing the use of funds from major programme 295, Unforeseen expenditure, the reasons why each should exist separately were unclear. If there were no good reasons against it they should be combined under Part 2 of the budget.

368. Mr. Tapiola, speaking for Worker members, supported major programme 145, but if it was better to combine it with major programme 295 for Unforeseen expenditure, then this should be done.

369. The representative of the Director-General (the Treasurer and Financial Comptroller) explained that the similarity between the Programme Flexibility Reserve and major programme 295 for Unforeseen expenditure was that they were both unprogrammed amounts in the budget and therefore, according to article 15 of Financial Regulations, subject to Governing Body approval prior to their being spent. However, there was a difference between the two. Major programme 295 had traditionally been used to meet unforeseen cost increases approved by the Governing Body, the main ones being salary increases for the Professional category, because the ILO did not anticipate General Assembly decisions on this matter. Unforeseen expenditure was also used to finance commissions of inquiry, Governing Body delegations to conferences, etc.

370. In contrast, the Programme Flexibility Reserve had been proposed by the Director-General in 1992-93 as a means of enabling the ILO to formulate programmes to respond rapidly to developments that could not be foreseen when the programme and budget was originally determined. It was the intention to use fully the flexibility reserve, whereas it was the intention not to use the Unforeseen expenditure reserve unless savings under Part I of the budget had first been exhausted. This distinction had been blurred in the present biennium by the exceptional financing arrangements that were proposed for the January 1996 Session of the Maritime Conference.

Major programme 160 — Personnel

371. Mr. Durling, speaking for the Employer members, supported the programme but said that the Employers had a number of observations. The Employer members noted that there was no indication, in paragraph 160.1, of the investment necessary to supply staff members with appropriate training opportunities to help them adjust to the new methods of work and orientations of ILO programmes. Consequently, the Employer members suggested that the analysis of the results obtained should be presented to the Committee — since it could be of use to the constituents as well. They noted with satisfaction that the introduction of the Personnel Information and Payroll System (PERSIS) had improved the efficiency of personnel functions. Noting that the automatization of the work depended on the operation of a local area network to provide access to PERSIS, the Employer members inquired about the extent of this network and which departments would have access to the information. The Employers also noted that proposed expenditures for external expertise on new policy approaches and monitoring and evaluation questions were not clear. A list of experts used by the Office in these areas should be available to the constituents and would be useful in the field of technical assistance. The speaker noted with interest the reference to the concept of staff mobility and to the development of a career planning system and urged the administration to publish the results of such efforts so that they could be shared by the ILO's constituents. Turning to the subprogramme relating to the technical cooperation personnel services, the Employer members asked for more details on the reasons for such drastic

reduction in the amount of money spent on technical cooperation and also which areas and/or regions would be affected by these reductions. They also inquired about the provision of US$78,000 for medical examinations and suggested that, in future budgets, the rate of staff turnover and number of vacancies per year be indicated. They welcomed the idea of short work assignments outside the Office and expressed the hope that this would also include work assignments in the private sector. Noting that consideration was being given to the adoption of a common scale of staff assessment for all categories of staff, they stated that they would await, with great interest, the results of the new approach.

372. Mr. Tapiola, speaking on behalf of the Worker members, expressed support for the overall objectives of this programme. After having recalled the Director-General's commitment to upgrade the Office's intellectual capacity, he approved the intention stated in paragraphs 160.13 and 160.14 to strengthen training and managerial functions and to reinforce the technical expertise of the Office. The Worker members welcomed the provision of child-care facilities for children of delegates attending ILO meetings as well as ILO staff even though they recognized that the modalities would need to be looked at separately. The Worker members supported the objectives of the recruitment policy stated in the proposals before the Committee and in addition, he advocated the recruitment of an appropriate number of qualified candidates from trade union or employer backgrounds. In conclusion, noting the drastic reduction in resources for technical cooperation personnel services, he asked about the steps being taken by the Office to ensure the capacity of the field offices to meet the challenge of their increased responsibilities, since the description of tasks seemed to indicate that a new decentralized approach was being considered.

373. The representative of the Government of Germany expressed his delegation's interest in the problem of the elimination of the "B files" and asked whether or not they had been all destroyed by now.

374. The representative of the Government of the United Kingdom underlined the vital importance of this major programme because of its direct impact on all the other programmes. He welcomed the Director-General's statement during the presentation of his programme and budget proposals, about the need to deal seriously with the issue of human resource development and organizational effectiveness in the Office. His delegation also welcomed the emphasis on career planning and personnel development as well as the readiness to draw on external expertise in human resource management. However, in reading the document, he felt a sense of unreality because the text read more like a wish list than a plan of action and the resources allocated for this subprogramme seemed inadequate to achieve the stated objectives. A clearer picture in terms of objectives, plans and achievements sought would have been welcome. The budget for staff training and development amounted to less than one-third of one per cent of the programme and budget (or US$250 per staff member per year). He compared this to the 3 per cent budgeted by the United Kingdom Ministry of Labour. His Government was of the view that the budgetary constraints faced by the Office made it all the more vital that the ILO got the best return from its human resources and that more — not fewer — resources should be allocated for this purpose. Stressing the fact that staff should always be recruited on the basis

of ability and experience, with proper regard to geographical balance, the representative of the Government of the United Kingdom concluded by asking the Director-General to uphold the right of the Personnel Department to resist improper internal or external attempts to distort the implementation of personnel policy and urged all the constituents to refrain from interfering in the recruitment policy of the Office.

375. The representative of the Government of the United States seconded the statement of the previous speaker in respect of the personnel programme being vital. However, she explained that her delegation was concerned about its under-representation in terms of the ILO staff. She said that the United States — along with other governments whose citizens were under-represented — had qualified candidates who would make a real contribution to the work of the ILO and asked for a clear commitment from the Office to implement its policy of geographical distribution. She indicated her Government's readiness to assist the Office by publicizing the ILO and its work and to advertise vacancies for qualified candidates for senior level positions both from the public and the private sectors. Concerning the subprogramme on training, she underlined the increasing need for continuous training and retraining and called for additional resources to be allocated to that subprogramme. Finally, her delegation expressed the hope of being among the first to benefit from the child-care programme and asked about the practical details of such a facility.

376. Miss Mackie (Employer member) noted that the proposed provision for child care did not relate to a specific programme, and hoped that proposals for the use of this resource would be available for approval by the PFAC in due course.

377. The representative of the Government of Canada supported the statements made by the representative of the Government of the United Kingdom as regards both the importance of personnel functions in any sound management as well as the importance of staff training and development. Concerning the child-care proposal, she strongly supported the concept but asked for clarifications on how this provision would be implemented in practice.

378. The representative of the Government of Italy supported the statement made by the representative of the Government of the United States about staff recruitment.

379. A representative of the Director-General (the Director of the Personnel Department) noted that many questions had been raised and that she would group them to try to reply to all of them in as short a time possible. Responding to the Employers' concerns, she agreed that the publication of the results of the subprogramme on staff training and development as well as the evaluation of the mobility policy could be useful for the constituents. She mentioned particularly the new system concerning the grade classification. She suggested that the Programme, Financial and Administrative Committee be seized of an evaluation of the mobility scheme at an appropriate time (i.e. after three years of implementation). Turning to PERSIS, she informed the Committee that — despite slight delays — the first module was now operational. As regards access to PERSIS, while the whole Office would be connected to the enterprise network for communication purposes, access to personnel modules would be restricted through a security system of code words. Concerning the issue of the reduction of extra-

budgetary resources, she explained that the Personnel Department had always received a certain amount of Programme Support Income (PSI) because it serviced technical cooperation experts in terms of pensions and other entitlements. With the radical drop of PSI, the number of long-term experts recruited had considerably decreased and consequently some of those activities had diminished as well, although the drop in workload has been offset by an increase in the number of short-term experts and consultants. Thus the reduction would be across the board and not aimed at any particular region. As for the sum allocated for medical examinations, the representative of the Director-General recalled that the ILO had a Joint Medical Service with the United Nations common system, which serviced not only recruitment but also staff already in service (for example, vaccinations, periodic and exit examinations). She informed the Committee that recently the Director of PROGRAM had asked the Joint Inspection Unit (JIU) to make an evaluation study of that service. Turning to the objective of the adoption of a common scale of staff assessment for all categories of staff, she pointed to the disparities of salary scales of the professional and general service categories and advised the Committee that the study would be time-consuming and complex. The study would be undertaken at common system level.

380. Turning to the remarks on the question of child-care facilities, the speaker recognized that the Office did not yet have a specific plan to propose even though it had done much exploration. The implementation of an in-house system of child care would require more study. On the other hand, she informed the Committee that there was a possibility of an option very soon with a crèche close by and suggested that, if this option was viable, the Office would seek the guidance of the Officers of the Governing Body should a decision be needed quickly. Otherwise the Office would provide more details at the next session of the Governing Body.

381. In reply to a question concerning the recruitment of technical cooperation experts, she stated that the Office was not planning to decentralize this function but that the decentralized approach concerned national experts, which was a separate matter.

382. Concerning the question of the "B files", raised by the representative of the Government of Germany, she informed the Committee that the intent was not to destroy them but to remove references to third parties and information obtained on the basis of confidentiality. She pointed out that this process had been very time-consuming, which explained the delay, but stated that the Personnel Department would soon issue a circular to inform the staff that henceforth they would have full access to their personal files.

383. On the question of training, she agreed with the representative of the United Kingdom that there was no plan of action in the proposals before the Committee. She explained that the money allocated should be considered as seed money designed to cover certain basic skills such as language training, computer training, management competencies or drafting courses. A management training programme was currently under preparation and funds had been earmarked for this by the ILC last year. An upgrading skills training programme was being tested in the current year, with priority given to the MDTs. The Office-wide training funds were intended to be supplemented by individual departments. The

intention was to develop the idea, among programme managers, that training was an ongoing part of work assignments or missions and that they should contribute to training from their own budget either through savings or special allocations. She cited the case of the Asia and Pacific Department which had recently allocated substantial savings to mount a training programme.

Major programme 170 — Financial services

384. Miss Mackie, speaking on behalf of the Employer members, congratulated the department on its efficiency and expressed her appreciation of the Treasurer's willingness to respond patiently and clearly to all inquiries. This major programme received the support of the Employers' group.

385. Mr. Tapiola, on behalf of the Worker members, endorsed the comments of Miss Mackie.

386. The representative of the Government of Germany hoped that the difficulties of harmonizing the financial regulations between the ILO and the European Union so that European Union resources could be used for ILO programmes would soon be solved.

387. The representative of the Government of the United Kingdom questioned the level of human resources assigned to this programme. Every opportunity should be explored to take advantage of new technologies and work methods to make sure that there was an optimal mix of human and material resources.

388. The representative of the Director-General (the Treasurer and Financial Comptroller) informed the Committee that negotiations had been in progress with the European Union for over two years to reach an administrative agreement that would facilitate the financing of ILO technical cooperation activities by the European Union. The concrete proposals that had been made by the ILO had not yet been the subject of an official reply by the European Union. However, even though the draft agreement had not yet been formalized, he was glad to note that its terms had already been applied in the case of several projects that were financed by the European Union.

Major programme 175 — Internal administration

389. Miss Mackie, speaking for the Employer members, noted with satisfaction the savings referred to in paragraph 175.2 of the programme and budget proposals.

390. Mr. Tapiola, speaking for Worker members, agreed with the statement in the proposals that this major programme was a determining factor in the productivity of the Office as a whole. Sufficient investment in furniture and equipment prevented medical and other costs in the future.

Major programme 180 — Editorial and document services

391. Mr. Aboughe-Obame, on behalf of the Employer members, noted the considerable increase in the budget compared to that of the current biennium. During the coming biennium the ILO intended to publish 85 books in French,

English and Spanish. Yet despite of the functions outlined in paragraph 180.5, it was impossible to assess the value and pertinence of this programme as there was no information on what needs those publications were responding to. As for the periodical publications, and especially the *World Labour Report* and the *International Labour Review*, it was the impression of the Employer members that as time passed by their practical and long-term usefulness had lessened. In so far as the role which ILO periodicals might play in the follow-up to the World Summit for Social Development, the editorial staff would need to show more imagination. The Employer members, were, however, appreciative of the improvement in the readability of ILO documents.

392. Mr. Tapiola, speaking on behalf of the Worker members, believed that the department was doing a good job and noted with satisfaction that the publication was earning income, but wondered if costs could be reduced by in some cases producing less glossy publications. It was clear that the criteria used in selecting manuscripts for publication, and decisions concerning translating and pricing, were of considerable importance in the dissemination of information. The choice of criteria for publishing manuscripts should focus on their usefulness and topicality for ILO constituents rather than academics. It was important that publications be available in several languages — at present too many publications were available only in English. In the future thought should be given to whether the content and purpose of the *World Labour Report* should be reviewed, especially in light of the publication of the *World Employment 1995* report. The roles of these two publications should be made clear so as not to confuse them.

393. The representative of the Government of Poland stressed the importance of the ILO's publications for economies which were undergoing a transition to a market economy. They were a valuable source of information on a range of issues such as industrial relations, combatting unemployment, and social security. In Poland the *World Employment 1995* report, and the *World Labour Report* would be translated into Polish and distributed free of charge to the social partners. His Government, and the social partners, attached great importance to ILO labour standards and they were grateful to the ILO for their support in publishing these standards in Polish. ILO publications had been promoted in Poland through the ILO's participation in the International Book Fair in Warsaw over the last three years, and the distribution of publications at national and international meetings held in Poland. He requested that as far as possible publications should focus on the needs of the transition economies.

394. The representative of the Government of India noted with satisfaction the ILO's intention to promote low-cost and locally translated and marketed publications. This would contribute to the dissemination of ILO books as would their translation into local languages. The question of balance in the content of publications was extremely important, especially with respect to the *World Labour Report*.

395. The representative of the Government of France regretted the lack of information concerning the print runs of periodicals, the number of books published in partnership with other publishers, and the current stock numbers.

396. The representative of the Government of the United Kingdom asked if there was an overlap in the activities of this major programme, major programme

190 (Library and documentation), major programme 220 (Relations and meetings) and major programme 235 (Public information), and urged the Office to continue to seek maximum efficiency and cost savings.

397. The representative of the Government of the United States, agreeing with the comments made by the representative of the Government of France, said that customer surveys were important to establish that books were actually being used.

398. Mr. El-Telawi, on behalf of the Arab Labour Organization, complained that there was a dearth of publications in Arabic. There were 21 Arab-speaking delegations in the ILO whose needs should be taken into account.

399. A representative of the Director-General (the Director of the Editorial and Document Services Department) assured the Employer members that the *World Labour Report*, following the changes to its format, enjoyed great success. For example, the English edition had a print run of 3,800 copies: 2,340 copies were distributed free, and all of the remaining stock was sold. In Asia and Latin America it had received much support. Every effort was being made to improve its topicality and to maintain its editorial balance. The proof that ILO publications were relevant was that in 1994-95 the estimated income from publications was US$4 million, and that for the 1996-97 biennium this was estimated at over US$5 million. This was an achievement of which any publishing house would be proud. Written figures were available on print runs and stocks. With regard to lower-cost publications, he said that the costs that could be saved by publishing less glossy publications was minimal, while attractive publications helped marketing and the promotion of sales. One of the major elements of the new publications policy, which was currently being developed, would address the question of lower-cost local editions. For the first time, following the decision to credit 100 per cent of revenues from publications to the Publications Revolving Fund, resources were available to subsidize translations into local languages and his department would do its best to satisfy the needs of constituents, especially the Arab-speaking constituents. If sufficient funds were available, the amount currently set aside for translations could be doubled in the next biennium. There was no overlap with major programmes 190, 220 and 235 although his department worked in cooperation with these departments. For example PRESSE and EDIPUBL were working together to promote the image of ILO, while there was close cooperation between EDIPUBL and RELCONF as they were both part of the same publications chain.

400. Miss Hak, on behalf of the Employer members, asked if copies of *World Employment 1995* could be provided for members of the Governing Body.

401. The representative of the Director-General replied that the ILO would look at the distribution of this report to Governing Body members.

Major Programme 185 — Computer services

402. Miss Mackie, on behalf of the Employer members, remarked that it was all too easy to overlook the contribution of staff working with today's extremely complex equipment and she wished publicly to compliment the staff of this department.

403. Mr. Tapiola, on behalf of the Worker members, endorsed Miss Mackie's comments. He asked if there was a follow-up plan to the Information Technology Strategy which was due to end in 1996. He agreed that priority should be given to increasing the awareness of ILO staff and constituents of the data available in ILO databases and suggested that information should be consolidated into a single users' guide.

404. The representative of the Director-General (the Treasurer and Financial Comptroller) explained that this major programme was in the process of reorganization. One of the basic components of the Information Technology Strategy was that user departments should be more involved in their own computer applications and that there should be a gradual devolution of these functions to the departments. Most of the other components of the strategy were being carried out according to plan. The strategy for the next period would be considered, once a new Chief for the Bureau was recruited. The Office hoped that ILO databases would become accessible through INTERNET later in 1995.

Major programme 190 — Library and documentation

405. Miss Mackie, speaking for the Employer members, expressed their appreciation of the work carried out under this programme and the way in which the Library was responding to technical change and the different demands made upon it.

406. Mr. Tapiola, speaking for the Worker members, recognized the good services the Library provided to constituents and felt it was important that advisory and training services to help constituents use information efficiently be continued. The reformatting of computerized data to meet international standards was an important challenge. As funding for this activity would have to come from extra-budgetary sources, he asked if there were good prospects for such funding, and if not, what would happen. While making full use of new technologies, such as INTERNET and CD-ROM, was important, it was salutary to note that the demand for printed bibliographies had remained stable. Keeping up with the cutting edge of state-of-the-art technology was commendable but most constituents still obtained their information from printed materials.

407. A representative of the Director-General (the Chief of the Central Library and Documentation Bureau) replied that she had identified several potential sources of extra-budgetary financing for the data conversion.

Major programme 200 — Programming and management

408. Miss Mackie, on behalf of the Employer members, emphasized the importance of this major programme as it provided a structural support framework for ILO activities. The emphasis on evaluation throughout the proposals and the development of a monitoring, evaluation and reporting system as indicated in paragraph 200.6 were particularly welcome. Qualitative and quantitative evaluation and full transparency were essential to enable the Committee and the Governing Body to take appropriate decisions.

409. Mr. Tapiola, speaking for the Worker members, commended the Office on the major improvement in the general presentation of the programme and

budget proposals. He welcomed the increased emphasis placed in this major programme on monitoring and evaluation of activities, which would help to ensure that their impact was maximized and that transparency and accountability were increased. However, it should be made clear that accountability was ultimately to the Conference and the Governing Body. Further action to transmit the results of internal evaluation, monitoring and reporting to these bodies was still required so that they could fully exercise their responsibilities. In this context, he noted that the reports submitted annually to the Committee on Technical Cooperation had been of limited use. Activities to formulate programme proposals more relevant to the concerns of constituents were in line with the general spirit of active partnership and should be balanced by a corresponding commitment to ensure that those proposals were also in line with the ILO's values and principles and its core mandate. He wished for further clarification on the contracting out of support operations referred to in paragraph 200.5.

410. The representative of the Government of Norway welcomed the greater emphasis placed on the evaluation of all ILO activities. This should be carried out in a results-oriented way so that appropriate lessons could be learned from it. For this purpose, it was essential that the objectives of every activity were clearly formulated.

411. Supporting the positive comments made by the previous speakers on the monitoring, evaluation and reporting system, the representative of the Government of the United Kingdom expressed his satisfaction with the intention to extend this pilot exercise. This was an excellent starting point for management philosophy in the Organization, which could serve as a positive example to other members of the UN system.

412. A representative of the Director-General (the Director of the Bureau of Programming and Management) assured the Worker members that full transparency and accountability to the Governing Body and the Conference were envisaged with the new system. Efforts would be made to ensure an improvement in future reports submitted to the Committee on Technical Cooperation. Referring to paragraph 200.5, he indicated that contracting out was to be seen as an alternative, which would be considered objectively in cases where this was in the interest of the Office.

Major programme 210 — Legal services

413. Miss Hak, on behalf of the Employer members, noted that staff resources for this major programme had remained at the same level as the budget for the current biennium, despite the heavy workload of the Bureau. During the Maritime Technical Committee it had been clear that it would have been advisable for texts of standards to have been scrutinized by the Legal Adviser. The Employer members believed that more staff was needed for this very important service.

414. Mr. Tapiola, on behalf of the Worker members, believed that the increase in total financial resources for this major programme was justified. The Legal Adviser was increasingly involved in major policy issues such as servicing the Governing Body Working Party on Social Aspects of the Liberalization of

Trade. Even if this was not a permanent commitment it was a major unbudgeted work item.

415. A representative of the Director-General (the Legal Adviser) thanked the members of the Committee for their comments.

Major programme 220 — Relations and meetings

416. Miss Mackie, speaking on behalf of the Employer members, expressed her appreciation for the support and facilities provided by this programme, often in difficult circumstances, but essential to ILO constituents for the conduct of their business.

417. Mr. Tapiola, speaking on behalf of the Worker members, endorsed Miss Mackie's remarks and expressed his solid support for the programme. Noting in paragraph 220.3 that substantial savings had been identified in the next biennium largely through the reduced need for interpretation facilities as a result of fewer and shorter meetings, he regretted that the indirect savings which had thus apparently been generated by the shortening of sectoral meetings had not been ploughed back into the sectoral activities programme, but had rather been redistributed elsewhere.

418. The representative of the Government of the United Kingdom, while recognizing the enormous task of this major programme, welcomed the savings achieved and encouraged management to seek further economies wherever possible. She placed on record her appreciation for the increasing service provided to the Government group.

Major programme 225 — Employers' activities

419. Miss Mackie, on behalf of the Employer members, expressed support for this major programme, but felt that more resources could be allocated to it. There had been a welcome change in the understanding by the Office and the Programme, Financial and Administrative Committee of the role that employers and employers' organizations had to play in the ILO's tripartite structure when dealing with employment issues throughout the world. It was clearly stated in paragraph 225.2, with reference to developing countries and countries undergoing transition to a market economy, that simply being an employer or an employers' organization did not mean being in a financially strong position or that the resources were available to participate in international discussions which dealt with employment situations of concern to the Office.

420. The Employer members also recognized and appreciated the increased contacts made by this programme primarily through employer specialists in the multidisciplinary teams, but serious work had to be done to meet the objectives stated in paragraph 225.3 to build up strong, democratic, representative and independent employers' organizations. While it was important for any programme to make the most efficient use of existing resources, it was also necessary to look to the future. There was a need to do research to identify the future direction of employers and employers' organizations so that they could contribute in a balanced way to the tripartism of the International Labour Organization.

421. The Employers also welcomed the close cooperation they enjoyed with the head of this department and expressed the hope that the resources for this programme would be increased as the need arose.

422. Mr. Tapiola, on behalf of the Worker members, also supported this major programme.

423. A representative of the Director-General (the Director of the Bureau for Employers' Activities) expressed appreciation for the support for this programme.

Major programme 230 — Workers' activities

424. Mr. Tapiola, for the Worker members, reiterated the appreciation expressed for the activities of the Bureau for Workers' Activities at the Workers' group meeting earlier. The new structure of the Bureau had shown promising developments, and the Workers felt confident that the right kind of activities were being executed: keeping contacts with the worker specialists on the multidisciplinary teams and ensuring that the matters discussed and agreed upon by the active partnership programme were carried out. This programme, as indeed also the previous programme, were not for only one constituency. They were programmes for the whole of the ILO, as they strengthened the tripartite structure and approach of the Organization. It was important, therefore, that major programmes 225 and 230 were involved in the development of action programmes or other means of increasing coordination. So far these programmes had not been in a position to put forward action programmes of their own but they did participate in many of them, which was important. The work they did in their own fields constituted a very comprehensive, professional and useful action programme.

425. Miss Mackie, on behalf of the Employer members, supported this major programme, and appreciated the endorsement given by the Worker members of programme 225. She aligned herself with Mr. Tapiola's remarks about the relevance of programmes 225 and 230 to all constituents. Tripartism was recognized as being a major strength of the ILO, a fact endorsed at the Copenhagen Summit. Without these two major programmes, the ILO would be seriously weakened.

426. The representative of the Government of France supported this major programme but was surprised by paragraph 230.3. Certainly trade unions were among those who continued to promote solidarity, but it did not seem to be a good defence of unions to claim that they had the exclusive rights to solidarity. There appeared to be an error in the text.

427. The representative of the Director-General (the Director of the Bureau for Workers' Activities) thanked the members of the Committee for their support for this major programme, and assured the representative of the Government of France that, in future, attempts would be made to ensure the text was more precise. He also reassured the Committee that major programme 230 would continue to work in the spirit of tripartism which the Bureau and the ILO share.

428. Miss Mackie, speaking on behalf of the Employers, gave strong support to the purpose expressed in paragraph 235.1 "to make the aims and achievements of the ILO known through the mass media in such a way that the Organization's presence on the international scene is enhanced". The ILO was worthy of a wider public and the Copenhagen Summit had been a positive instance of bringing the ILO to the public's attention. However, she had to underline with some regret that not all experiences in the recent past had been positive. There had been an unfortunate experience with press releases which were controversial and newsworthy, as is often the case with controversy. Such news releases did not assist the consensus which had been reached on a tripartite basis in a technical meeting. The concept that any publicity was valuable publicity was not wholly acceptable. Work which was sometimes painful and always painstaking, which had resulted in an agreement, perhaps based on a delicate balance, should not be put at risk by public statements which highlighted aspects which were seen as more newsworthy. She expressed the hope that there would be no repetition of those unfortunate episodes.

429. The Employers' group looked forward to supporting this programme in the future, and hoped that further opportunities would be taken to bring the ILO to public notice in a positive way, with constructive publicity based on a greater delicacy and a greater cooperation with the social partners.

430. Mr. Tapiola, speaking on behalf of the Worker members, said that as his initial trade union background was in the journalists' union of his country and in public information work for the unions, his experience led him to affirm that the real news was in the content of what one had to say. An intelligent strategy for public information activities would enhance this, but if the content of the work was not right, then no amount of cosmetic explanations or embellishment would help. When discussing public information activities it was important to understand that they could achieve only so much. He wished to underline the importance of the aim of improving the ILO's public profile. Everyone should feel involved and take part in an ongoing discussion of this; however, achievements would result only from high-quality work on relevant and topical issues.

431. He had noticed a slightly unfortunate reference to influencing the opinions of governments and other constituents in paragraph 235.1. The strategy of more effective dissemination of a wider variety of information products on a much more decentralized basis, making extensive use of outside expertise, was acceptable. However, greater variety and increased decentralization made it even more important that the core content was right and that the core message remained centralized and clear.

432. The intention to increase substantially the use of audio-visual media was important and overdue. The production of two or three thematic documentaries each year was an ambitious target but worthwhile if the products were well distributed. The importance of focusing information activities on those who were at the receiving end could not be overemphasized.

433. Finally, he supported the proposal in paragraph 235.5 to continue production of *The World of Work*.

434. The representative of the United States Government, referring to the Preface of the budget document, applauded the Director-General's commitment to making the ILO's work better known. She particularly commended the publicity around the *World Employment 1995* report. Effective marketing was needed to attract funding to the ILO's programmes, especially during a finite budget period, in the apt terminology of the Director-General. An integrated strategy was needed which would combine to advantage the expertise of those closest to the technical work with the efforts of the Bureau of Public Information. Such a strategy would ensure that the full range of those with an interest in ILO's work were informed. Every person in the ILO, from the top managers to the newest young professional, must be able to explain how his or her work contributed to the ILO's objectives. If reticence were overcome and marketing became part of the Organization's culture, the programmes and work of the ILO would be revitalized.

435. Her delegation would like to see greater interaction and cooperation between this major programme and major programme 240 (International relations), which would help make the work of the ILO better known within the rest of the United Nations system.

436. The representative of the Government of Germany agreed with the assessment regarding the periodical *The World of Work* made by the representative of the Worker members. It illustrated the work of the ILO well and carried the message to other countries. However, he had noted some rather strange wording in the last two sentences in paragraph 235.5: "Decentralized editions produced outside headquarters continue to be published in several languages (Chinese, Czech, Danish, Finnish, German, Hungarian, Japanese, Norwegian, Russian, Spanish, Swedish) under various titles and at varying intervals. The Bureau will continue to prepare and supply the texts for all these editions and will coordinate editorial policy." He was concerned about the German edition, which had hitherto been produced in Geneva by a very small number of staff. The German edition contained not only translations but also original contributions directed at a targeted German-speaking audience. He wished to know whether the German edition would still be produced in Geneva and wished to take the floor again very briefly after receiving an answer.

437. The representative of the Government of Chile made reference to paragraph 235.5 regarding *The World of Work*, endorsing the appreciation of the periodical expressed by previous speakers. His delegation and other Spanish-speaking delegations had noticed an apparent discrimination against Spanish, one of the official languages, and wished to learn the reasons for suspending the production in Geneva of the Spanish edition. His delegation wished this decision to be reconsidered.

438. The representative of the Arab Labour Organization thanked the International Labour Office for the publication of the excellent periodical, *The World of Work*, which had many readers in Arabic-speaking countries. He asked for clarification on the wording in paragraph 235.5 which stated that resources for the Arabic edition of *The World of Work*, produced in Geneva, came from funds provided under major programme 265 (Field programmes in Arab States).

439. Mr. Durling, speaking for the Employer members, endorsed the view that the person responsible for the Spanish edition of *The World of Work* should be based in Geneva rather than in Madrid. This would ensure a much better overall view and understanding of the activities of the Organization.

440. A representative of the Director-General (the Director of the Bureau of Public Information) expressed gratitude for the appreciation shown for the efforts made by the Bureau of Public Information to publicize the *World Employment 1995* report. The Director-General would reply on other issues which had been raised, as these concerned programmes launched by his predecessor and he had not yet had time to go into them.

441. Careful note had been made of the comments made by the Employer members concerning the need to conduct a full and sincere dialogue with all parties involved in tripartite discussions, before engaging in press activities.

442. Turning to the issue of the distribution of audio-visual material raised by the Worker members, he wished to underline that a policy of co-production was in force, not only with producers but with distributors as well, including television networks. There was therefore some built-in assurance of distribution. He intended keeping to the target of two or three filmed productions per year. Already this year two films had been produced with Danish and Finnish television networks and two or three other projects were being negotiated.

443. The Director-General, replying to the questions raised regarding the periodical *The World of Work*, stated that the main concern had been to seek the most economic solutions possible, while ensuring that the periodical was distributed satisfactorily and in the maximum number of languages. It did not appear necessary to concentrate all activities, particularly printing and editing, in Geneva, when it was possible to obtain considerable savings elsewhere. Of course, the newly appointed Director of the Bureau for Public Information would now have the responsibility of verifying sector by sector, item by item, and for each language, what were the most appropriate programmes, the objective being here as elsewhere to do better with less expenditure. Unfortunately, there were limits to the Office's ability to take action, imposed by the zero growth budget.

444. The representative of the Government of Germany thanked the Director-General for his reply. He understood that no definitive decision had been taken. It was not a question of printing but of editing which should continue to be carried out in Geneva. In the case of other arrangements being made, such as the Branch Office in Bonn taking on the task of editing, it was not easy to imagine how additional tasks would be allocated to Bonn while at the same time staff numbers were decreased.

445. The Director-General noted that increased productivity was an obligation for all ILO staff in the current situation.

446. The representative of the Government of Chile thanked the Director-General with whom he usually found himself in agreement. However, he could not express his satisfaction with the replies, as there was no reason why the English or French editions rather than the Spanish edition could not have been printed outside headquarters. His delegation maintained their view that the

decision should be reconsidered and that the three official languages of the Organization should be accorded equal treatment.

Major programme 240 — International relations

447. Miss Mackie, speaking for the Employer members, drew attention to the end of section 240.5 of the proposals which dealt with relations with non-governmental organizations. In the course of the general discussion on the programme and budget document the Employer members had made a number of observations concerning non-governmental organizations. She wished at this stage to clarify these for the record.

448. First, there were no difficulties in accepting at the Conference the presence of NGOs with an interest in the work of the ILO. Second, certain paragraphs in other major programmes were worded in such a way as to give rise to doubts and these doubts had been borne out by past experience. Concern arose where there were references to non-governmental organizations in the broadest sense, which were neither worker nor employer organizations but which seemed to have a policy-making function that should be more appropriately left to the tripartite constituents of the ILO. National meetings organized under the auspices of the ILO might sometimes have had a majority of participants from such NGOs. Vigorous participation by groups of this nature could influence the outcomes of such meetings.

449. She reiterated the wish of the Employer members to make a distinction between meetings of experts, tripartite or not, where on the one hand there could be inputs from knowledgeable groups of this nature, and on the other hand meetings with expert inputs leading to policy conclusions which should be reached by the tripartite constituents of this Organization. It was inappropriate to mix the two.

450. Turning to the broader concept of international relations and the Liaison Office with the United Nations in New York, she expressed the hope that the importance of the New York Office was now understood. The place of the ILO in the run up to the Copenhagen Summit might have been more easily conceded and might have needed less short-term support and less expenditure had this Office already been receiving adequate resources and support.

451. She was anxious that the follow-up to the Summit and therefore the ILO presence in New York be facilitated between now and the end of 1995 and not only in the forthcoming biennium. The recent experience of the Summit showed that it needed strengthening and the Employer members would like to see this take place. The Employer members attached importance to the international relations programme and welcomed the presence of Ms. Hagen with the Director-General, showing the recognition accorded by the Organization to the special domain of international relations.

452. Mr. Tapiola, speaking on behalf of the Worker members, expressed support for this major programme given the substantive nature of the work to be done. He was convinced of the key role the programme would play in ensuring that the ILO's views and policies were taken into account by the Bretton Woods institutions.

453. His initial reaction to the major programme 240 was that it was part of a package, with a backup unit which would allow Ms. Hagen to carry out the tasks of promoting consultation and collaboration with the Bretton Woods institutions. During the general discussion he had already remarked on some missing links, and he had to assume that this programme would in practice be linked to major programme 60 (Employment) and to other programmes such as international labour standards and industrial relations, for the work of the Organization to be accomplished.

454. As for the issue of the non-governmental organizations, he took the opportunity to put on record the views of the Worker members. At no time had they said that ILO should work only with its constituent parts. There were many non-governmental organizations whose merit of focusing on a limited number of questions allowed them to gain useful in-depth knowledge. They were useful both for their knowledge of how certain things functioned and for their political engagement. The ILO needed alliances with non-governmental organizations of this nature; there should be no need for blanket statements for or against them. The Worker members were of the opinion that in each specific instance, the modalities of cooperation between the tripartite structure and genuine, useful and relevant non-governmental organizations should be defined. The ILO could not be a closed society, and relations with non-governmental organizations were one important way of staying in touch. Nevertheless, the ground rules of tripartism had to be respected and built on. He was sure the right conclusions would be drawn by sensible people and this issue could now be laid to rest.

455. The representative of the Government of Germany said his delegation recognized the important role which the Liaison Office in New York had had in the preparation for the Copenhagen Summit. His delegation had also appreciated being able to call on the advice of Mr. Martin and Ms. Hagen in Copenhagen and thanked them for the discretion and commitment with which they offered their support. The important new message from Copenhagen was that in many regions there were now policies for combating poverty and unemployment. Such policies had to be designed with an input from the people concerned, including all organizations at the frontline of these efforts.

456. He appreciated the statements made by the Worker and Employer spokespersons that ILO should not allow the impression to arise that it was afraid of people trespassing on its territory. He personally had found it possible to pass on information about the work of the ILO and engage the sympathies of German organizations participating in the Copenhagen Summit. This in no way called into question the constitutional parties of the International Labour Organization — the Governments, the Employers and the Workers. The implementation of the Summit's conclusions should bring about a valuable exchange of advice and assistance between the ILO and other organizations.

457. The representative of the Government of the Philippines wished to join in the manifestations of support given to this major programme. His delegation gave it an even broader interpretation than previous speakers. A clear recognition of the special responsibility of the ILO in the fields of employment and social development had emerged from the World Summit on Social Development. This imposed on the ILO the serious and difficult responsibility of vigorously pursuing

its efforts to promote social justice with the organizations active on the international economic arena.

458. It was the opinion of his delegation that many intergovernmental organizations, agencies of the entire UN system as well as the financial and economic institutions, had to be referred to. He was disposed to take the concept even further. Two years ago the Director-General had described the ILO as an edifice with the first level being international labour standards and the second level being technical cooperation. Perhaps an appropriate third level was the promotion of ILO's core values in organizations whose decisions affected the lives of millions of impoverished people worldwide. In this context and given the task in hand, the budget of $3.6 million for major programme 240, identical to that of the prior biennium, appeared to be extremely modest.

459. The representative of the Government of the United States supported this major programme. He found that liaison with the Bretton Woods institutions was of the highest priority for the Organization, and this had become evident throughout the week's discussions. Resources of the highest quality to perform the necessary liaison with the Bretton Woods institutions were required and he requested assurances that they would be made available to the programme.

460. A representative of the Director-General (the Deputy Director-General responsible for relations with the UN system organizations and the Bretton Woods institutions) thanked all the speakers for their support to the programme and their concern that adequate resources would be allocated. Major programme 240 (International relations) would indeed link up with many of the other programmes and technical departments in order to communicate and bring the ILO to the forefront within the UN system and the Bretton Woods institutions. This programme would continue to serve as a linkage in the follow-up to the Social Summit and to broaden effectively the ILO's communication and collaboration with the Bretton Woods institutions. There would be continued improvement in the quality of services provided under the programme now that full attention could be paid to it. Careful note had been taken of the comments on the involvement of non-governmental organizations. The functions of the programme regarding NGOs had been well established over past years and no changes were being described here in maintaining these relationships. The comments made reflected recognition of the changing role of NGOs in the UN system itself and even in the Bretton Woods institutions. While the ILO would be sensitive to this, the programme would continue to do as it had done in the past and ensure that NGOs concerned with areas of interest to the ILO had the opportunity to observe and participate within a carefully defined framework.

Major programme 245 — Active partnership

461. Miss Mackie, speaking on behalf of the Employer members, regarded this as an important and interesting major programme, which the Employer members supported. The programme required careful implementation, because it created an important opportunity for governments to work with employers and workers at national level to identify country objectives and establish priorities. This was central to the active partnership concept. The need to take into account the objectives of so many member States might prove to be problematic, and care

would have to be exercised by ILO Area Offices in managing their time. A new layer of bureaucracy should not be introduced as a result, and the approach should be kept as transparent as possible. Finally, she requested that the country objectives be subjected to careful monitoring and evaluation after an appropriate period of time.

462. Mr. Tapiola, speaking on behalf of the Worker members, also welcomed the programme. Its importance lay in its responsibility for the very considerable management and coordination tasks involved in the implementation of the active partnership policy. He noted that paragraph 245.5 of the proposals contained some of the most important principles to be observed in implementing the active partnership policy, such as ensuring that the country objectives coincided with the main concerns of the ILO, respected international labour standards and promoted equality of opportunity for men and women.

463. A further key issue was addressed in paragraph 245.6, which spoke of ensuring unity of purpose and action between headquarters and the field structure, through close and effective collaboration. Active partnership should not evolve into a situation where the 14 multidisciplinary teams around the world determined and pursued their own programmes on the basis of locally identified needs, with little regard to the work of others and with little central guidance and interaction with headquarters. He was pleased to see that a mechanism for reporting on progress to the Governing Body was included.

464. The active partnership policy, to operate satisfactorily, required adequate technical skills and knowledge to be deployed both at headquarters and in the field. However, the devolution of greater responsibility for advisory services to the multidisciplinary teams would only work if underpinned by appropriate expertise. At the same time, the central technical capacity of Geneva had to be safeguarded. This major programme would therefore have to oversee a considerable and planned human resource development and deployment effort.

465. A representative of the Director-General (the Assistant Director-General responsible for the Active Partnership Policy) said that the difficulties of the tasks ahead, to which the Employers and Workers had drawn attention, would be met by a certain number of measures already in place, which would ensure unity of action between headquarters and the field. In the first instance, the country objectives were analysed to see that they were coherent with the overall policy established by the Governing Body and the Conference. In-depth consultations subsequently took place with the technical departments and the International Labour Standards Department, in a framework of interaction between headquarters and the field structure. Whenever directors of area offices and multidisciplinary teams were in Geneva, meetings and consultations on their work plans and programme objectives took place with a view to reaching harmonious and jointly agreed outcomes, integrating the different means of action, such as standards, technical cooperation and research. Further opportunities for technical departments to contribute and ensure that their technical guidance was respected, were created by the visits of directors of technical departments to the multidisciplinary teams in the field, and during the annual meetings of directors of area offices and multidisciplinary teams convoked by the regional directors. These were opportunities to exchange points of view and to achieve harmonization

with the overall policy of the Organization. There was as well the need to evaluate progress made and to report on the participation of the social partners to the Governing Body each year in November, at the Committee on Technical Cooperation.

Major programme 250 — Field programmes in Africa

466. Mr. Toure, speaking on behalf of the Employer members, was concerned to note that resources allocated to the African region for 1996-97 represented a decrease of some $850,000 as compared with the previous biennium. The problems facing the region had remained unchanged and the general situation had in fact worsened over recent years. With an economic crisis, falling production levels, rapidly decreasing export revenues, heavy foreign debts and almost two-thirds of the region's population underemployed or unemployed, it was difficult to accept any justification for a budgetary reduction.

467. The priorities and objectives of the African region's budget represented the true needs of the region and had been determined following the holding of various conferences, including the International Labour Conference. Main priorities for this region were the creation of employment opportunities and the fight against poverty. The use of economic management by governments as a means of increasing employment opportunities was a valid proposition as long as governments ensured that this was not limited to financial management but encompassed a much wider concept of overall economic management. The objectives, which included the monitoring and analysis of labour markets and employment trends, the formulation of employment and manpower policies and the introduction of employment creation programmes, were very welcome as was the emphasis on cooperation between employers' and workers' organizations, especially in the fields of employment promotion and training.

468. Mr. Toure also welcomed the Office's objectives concerning small enterprise development and informal sector activities and the importance given to the significant contribution of employers' organizations in those fields. With regard to the protection of workers, care should be taken to ensure that the application of health and safety regulations was closely monitored, and that assistance in carrying out inspection visits, designed to ensure that those regulations were being adhered to, was also made available. It was unfortunate that in many African countries, funds destined for social protection had often been diverted to other spheres. The concept of social security systems was relatively new to Africa. It was essential therefore that social protection was targeted at more specific groups to avoid the general dilution of resources which resulted when social security systems were applied to fields much larger than those originally specified. The promotion of social security in Africa would also require that employment opportunities were made available on a much larger scale, as, after all, employment itself was perhaps the most important prerequisite for the reform and expansion of social security systems.

469. The promotion of democracy through dialogue and consultation among the social partners should be strongly encouraged. Here, the work of the ILO's multidisciplinary teams had already played an extremely useful part in providing opportunities for constructive dialogue and the definition of objectives. There was

still a lot to be done and it was essential that the work of multidisciplinary teams in the field be supported and expanded in the future.

470. Mr. Agyei, speaking on behalf of the Worker members, agreed that a regional major programme should be built on three themes which were employment promotion and poverty alleviation, the protection of workers and the protection of democracy and human rights. He wished to draw attention to some areas, however, which deserved more emphasis or which were missing and which were considered important for the attainment of the ILO's objectives.

471. Africa had the largest number of the world's poorest countries and was the only continent whose economy declined constantly throughout the 1980s. Africa depended heavily on imported capital, skilled labour and technology and suffered from low levels of productivity together with a threatening collapse of the social fabric in terms of education, health, housing and food supplies. The slight increase in allocations for the African region in the ILO's regular budget was therefore not considered adequate given the magnitude of the region's economic and social crisis.

472. The ILO's Programme and Budget proposals for 1996-97, while recognizing that structural adjustment was having adverse social consequences on employment and poverty, should also provide concrete indications as to how the tripartite constituents would be encouraged to participate in high-level national debates on the economy and intervene with the Bretton Woods institutions so that deep-seated changes could be made to economic adjustment models currently being implemented by the IMF and the World Bank. Those indications should also ensure that structural adjustment programmes did not conflict with the ILO's work in fields of social protection and labour legislation, environment and human resource development. The Bretton Woods institutions should also be encouraged to support governments in the setting up of retraining programmes for displaced workers for employment in sectors with high job potential.

473. The Worker members agreed with the assessment regarding the need for efficient human resource development in response to the critical skill shortages experienced in key economic sectors. Several factors required careful consideration, however, when training policies were being designed. These included deficiencies in the field of educational assistance, the lack of coordinating policies and programmes on human resource development, the scarcity of human and financial resources and the erosion of living standards and social welfare associated with severe environmental conditions.

474. The development of small enterprises in the informal sector activities should take place side by side with the extension of social and labour protection in this sector, and the improvement of working conditions and the application of basic laws concerning employment should be primary objectives of this regional major programme. In this context, the proposals to extend social protection to disadvantaged workers were welcomed.

475. The Worker members expressed their full support for the proposals concerning the application of occupational safety and health standards and improvement of working conditions in the region, and in particular the proposed study to be carried out in a number of countries with a view to the formulation of national policies and guidelines. In order to sustain the democratization

process, special attention should be given to the capacity building of workers' organizations and the strengthening of tripartite institutions. Emphasis should not be placed only on awareness, but on their application of the relevant ILO Conventions, including as regards tripartite consultation. Stronger commitment was required by African governments to the whole concept of tripartism. Most African governments sent delegations to the Social Summit in Copenhagen which were not tripartite despite the fact that trade unions had made specific requests for representation.

476. Over the past few decades gender perspectives had come to prominence with the increasing role of women in development activities. Half of the total African population of 642.6 million in 1992 were women. Women workers were, however, still confined to low status, low-paid occupations, often accompanied by poor working conditions. The Worker members fully support the activities under this programme and the elimination of all forms of discrimination. In this regard, the promotion and application of ILO standards on equality of opportunity had to be given priority.

477. As regards the missing elements, the major one was the complete omission of an ILO contribution to the ongoing regional economic integration process. During recent years, new organizations had emerged to complement existing agreements and a resolution had recently been adopted for the establishment of an African Economic Community with the next 25 years. This process of integration would have many implications for ILO constituents. It was surprising that the ILO was not involved in the area of regional integration or in research and studies carried out so far on this issue.

478. The opening of the ILO Office in South Africa was welcomed and it was hoped that this regional programme would be fully involved in the implementation of the plan of action for South Africa which was approved by the Governing Body.

479. The regional programme was also silent on the ILO's contribution to the elimination of child labour and the improvement of the working and living conditions of migrant workers. As the world's poorest region, beset with many ecological problems, Africa was confronted with the difficult task of blending environmental and development processes. African countries were preoccupied with problems of soil erosion, desertification, environmental degradation, and a wide range of problems associated with extreme poverty. Some work was carried out in this regard under the 1994-95 interdepartmental project but there should be some proposals on fuller activities to be undertaken under this programme during the next biennium.

480. Finally, despite the reported increase in the regular budget of the 1996-97 biennium in comparison with the biennium 1994-95, the overall budget was lower by some US$850,000, as was pointed out by the Employer spokesman. This reduction could not be attributed entirely to a reduction in programme support income, and perhaps the Office could offer some explanation on these cuts in overall resources.

481. The representative of the Government of Tunisia, speaking on behalf of the African group, wished to draw the Committee's attention once again to the critical and preoccupying situation that existed in Africa. The African group

considered that the Programme and Budget proposals for 1996-97 identified all the main objectives and priorities for the African region and in particular employment creation, poverty alleviation, reducing the adverse social consequences of structural adjustment programmes and reinforcing the impact of ILO activities by strengthening national and sectoral capacity in the fields covered by the ILO. However, given that situation, the resources being made available were not considered sufficient and did not respond to the needs of the African region. The slight increase in resources, when compared to the previous biennium, related mainly to the new ILO Office in South Africa and with the foreseen reduction in programme support income, resources in general had decreased rather than increased. Serious consideration should therefore be given to providing substantially increased resources for the African region as well as greater support for multidisciplinary teams in the field.

482. The representative of the Government of Egypt stated that he considered that 25 per cent of the total budget was not sufficient to cover all the ILO's regional programmes.

483. The representative of the Government of Kenya welcomed the Director-General's assurance that due emphasis would be placed on ensuring that ILO activities in Africa would be determined through a continuing dialogue with governments and the social partners in line with a policy of active partnership. He also agreed that in view of the continuing economic and social crisis in Africa, coupled with the efforts of the governments of the region to reform the economies in favour of sustainable development, activities under this major programme should be designed to promote the objectives of equitable growth, employment generation and poverty alleviation through appropriate development strategies and policies. He noted, however, that available resources allocated to this major programme were grossly insufficient, especially with the grave socio-economic situation which prevailed.

484. The Director-General's proposals clearly acknowledged the serious situation in Africa at present and especially the level of chronic poverty and massive unemployment and underemployment that continued within the region. It was therefore necessary for the ILO to make available substantial resources to the region so that ILO activities, particularly in the area of poverty alleviation and the fight against unemployment, could make a real impact.

485. The representative of the Government of Sudan agreed with the representative of the African group but wished to concentrate on the integration of employment issues into economic management. He wished to emphasize the importance of intensive training programmes which were intended to build infrastructures in rural areas as he considered this to be a very important programme. He also hoped that intensive employment programmes would be given greater emphasis in technical cooperation programmes, and that this cooperation would be an example to be followed by all African countries. He noted however that references to consultation between social partners were rather pessimistic, whereas he believed from his own experience that collective bargaining and consultation among social partners could indeed be successful, especially for determining minimum wages.

486. A representative of the Director-General (the Assistant Director-General responsible for ILO Activities in Africa) noted that all the speakers had highlighted the problems which Africa was facing in its development and that they had all appealed to the ILO for its full support.

487. References had been made to the inadequacy of resources to meet the challenges which had been highlighted in the programme and budget proposals, and questions had been raised regarding the outcome from the ILO's interaction with the Bretton Woods institutions, particularly as far as structural adjustment was concerned. It was recalled that in the past, it was almost impossible for the ILO to have a dialogue with the Bretton Woods institutions, but that in recent years, such dialogue had become extremely positive, and current programmes and activities which were promoted by the World Bank, IMF and other financial institutions, also mentioned the importance of addressing the social dimensions. With regard to regional integration in Africa, it was true that many bodies were now very active. Many subregional and regional bodies in Africa worked in the fields of integration and economic and social integration and the ILO was moving towards full involvement in those activities in cooperation with the OAU and other regional organizations, including the employers' and workers' bodies, such as the OATUU and the Pan African Employers' Organization. Although the regular budget itself, as had been noted by various speakers, had increased by only 1.2 per cent, it was among the highest increases compared to other regions. Extra-budgetary resources had been reduced and more efforts would be made in the course of the next biennium to increase those resources.

Major programme 260 — Field programmes in the Americas

488. Mr. Arbeloa, speaking on behalf of the Employer members, expressed support for this programme. He said that the vast majority of countries in the region were in the process of consolidating democracy but that it was unfortunate this process had not gone hand-in-hand with adequate economic development. Poverty was still a major problem and the informal economy often represented more than 50 per cent of the total economy: in many countries, there was a trend towards a dangerously high level of unemployment.

489. Although the proposals provided for a series of activities to address this situation, the implementation of the programme was endangered by a clear lack of funds. The Employers considered there were two essential issues: first, the need to establish careful priorities so as to ensure investment in those areas that would yield the best results; and, second, to attempt to augment the meagre resources assigned to the programme, by promoting investment and economic cooperation and by seeking assistance from other sources. One of the essential elements for the programme's success was to pursue privatization, the implementation of which had resulted in progressive and positive economic development and a stable political situation, as in Argentina, for instance. The Employers were concerned about the emphasis being laid on activities that appeared attractive but which sometimes degenerated into dangerous demagoguery, projecting ideas that did not really match the immediate priorities of the countries concerned. They viewed, with concern, the efforts made to deal with ethnic problems through the implementation of the Indigenous and Tribal

Peoples Convention, 1989 (No. 169), ratified by very few countries, which would tend to divide rather than unite people. It was a basic imperative to establish the conditions for creating employment on the basis of solid national and international investment, which was possible only in a climate of cooperation, rather than confrontation. It was also essential to promote an employment policy in an environment of productive modernization, as proposed by the programme.

490. In addition, it was essential to reform the social security system to ensure its greater efficiency and increased coverage, provided that this was done in a realistic manner, taking into account the conditions existing in each country. The Employer members considered there was also a need to deal with economic globalization through information networks, ensuring the availability of information useful both to leaders and to national and foreign investors. In this respect, the tripartite element was essential and the possibility of a labour forum, designed to increase participation and awareness of the labour sector in all areas, was viewed with interest by the Employers.

491. The Employer members considered it important to commence and continue an exchange of views and experiences among the countries of the region, a process which assisted the meeting of new challenges. Here, reference should be made to the essential role played by CINTERFOR and the four multidisciplinary advisory teams, which were part of the ILO's package of efforts to advise the social partners in the region. In the experience of Venezuela, the Andean multidisciplinary advisory team had played a very important role in the study and analysis of social provisions and services and it was hoped that still more could be done in the future. The need for education and training was crucial to create the conditions for productive employment: both CINTERFOR and the Turin Centre deserved praise for their efforts in this respect and all possible resources should be extended to support their work.

492. Finally, the Employers expressed the fervent hope for an end to all confrontation between countries of the region. The ILO's programmes in the spheres of education, training and in the promotion of productive employment could do much to improve the situation in the region. Those who lived in a democracy realized that this was the only social and political system that ensured further development. For this reason, workers, employers and governments of the overwhelming majority of the countries of the region were devoted to the cause of democracy. Urgent additional funding was requested for the region, to develop an optimistic and creative programme for democracy. The possible disintegration of the region would also have disastrous consequences for the developed world.

493. Another Employer member, Mr. Durling, expressed serious concern over the reduction in resources for the region. With respect to the five priorities identified for the region in paragraph 260.4 of the proposals, he requested that the first-mentioned priority read "the strengthening [rather than the 'promotion'] of democracy and social dialogue". Clarification was also requested as to whether the fourth priority — "linking globalization with labour progress" — referred to conditions of employment, the labour market or labour legislation.

494. The speaker welcomed the indications outlined in paragraph 260.5 of the proposals, in particular the provision of assistance to representative employers' and workers' organizations to enhance their capacity to play an active

role in the process of tripartite consultation. He also welcomed the proposal to assess the role of entrepreneurs' associations and workers' organizations in the development of micro-enterprises in paragraph 260.17. However, the activities relating to the privatization process in paragraph 260.17 should extend also to representative employers' organizations. The proposal to offer assistance to governments to review labour legislation in paragraph 260.18 was welcome; and it was hoped this would focus on the need to provide greater freedom of action to the social partners. Finally, it was hoped that all these planned activities would be successful and that their results would lead to an increase in the resources devoted to the region.

495. An Employer member, Mr. Halliwell, referred to paragraph 260.25 which indicated that the increase in the regular budget resources for this major programme's activities in Latin America and the Caribbean would be offset by the closure of the Ottawa office in 1994. The speaker indicated that he had advised the Director-General, in 1994, of the Canadian employer community's request that the Ottawa office remain open. While the Director-General's decision to close the office was accepted, the speaker wished to state that, in his view, the financing of activities at one end of the region through the absolute cessation of operations at the other end, was a most unsatisfactory method of operating.

496. Mr. Bargas, on behalf of the Worker members, observed that the programme covered the main priorities of the region. Concerning the reduction in resources, the Workers called for a review of the criteria that had led to this situation. The group agreed with the need to strengthen tripartism and social dialogue, as outlined in paragraphs 260.5 to 260.8 inclusive, and considered as appropriate the groups of countries mentioned in paragraphs 260.6, 260.7 and 260.8. However, the Workers did not consider it appropriate for paragraph 260.8 to state that priority be given only to the promotion of ethnic equity for indigenous and tribal peoples, without also taking into account other sectors, such as the rural population and migrant workers.

497. The Worker members considered that the objective of including the labour and social dimension within economic integration should be dealt with through a programme of action, undertaken by the ILO on a global level. The objectives outlined in paragraph 260.11 were particularly significant, both as regards the better harmonization of labour policies and legislation, and strengthening the capacity of employers' and workers' organizations to bargain in relation to these matters.

498. The proposals dealing with employment policies and the eradication of poverty indicated that the insufficient creation of productive jobs and the steady increase in low-productivity and low-income occupations were consequences of the modernization of the economies in Latin American countries. The Worker members considered this statement to be an adequate reflection of a reality that could not be ignored, and stressed the need to create jobs of a higher quality and to pay more attention to the most vulnerable groups by, in particular, promoting their participation in the privatization process. The Workers were concerned that informal work was mentioned frequently and that special emphasis was given to increasing productivity. The reference to developing the integration of indigenous peoples in paragraph 260.14 appeared to be in contradiction to Convention

No. 169. Moreover, while the initiatives proposed in that paragraph with relation to young persons were considered appropriate, the Workers believed they should be coordinated with major programme 60 (Employment).

499. The question of reorganizing social security systems was of particular importance because the region had been a laboratory for the privatization of social protection. However, ILO action in this area should not promote privatization models, which reflected very specific situations. The Workers had also noted a lack of activities involving the rural sector. They wished to stress the need to deal with the problem of migrant workers, which required more attention as regards the trend towards integration. As for those paragraphs dealing with the assessment of social progress through information on labour market performance, the Worker members recalled that the idea of developing a higher quality labour market was an interesting one put forward by the Director-General last June. They were, therefore, struck by the fact that such an important initiative should have been reduced to a purely regional level. Among those proposals dealing with adapting labour institutions to the challenges of globalization, the Workers considered the idea of a labour forum for social dialogue as interesting, but were concerned about the resources available to implement this activity, given the reduction in the regional budget. Finally, the Worker members stressed the need for the activities of CINTERFOR to be strengthened, given the increasing importance of vocational training in the region as a consequence of economic restructuring. It was also important that workers' organizations were involved in the design and implementation of these policies.

500. The representative of the Government of Cuba said that there was general agreement among the countries of the region with the priorities and objectives set forth in the proposals. There was concern, however, about the reduction in the resources allocated to the region.

501. The representative of the Government of Chile indicated particular interest in the transfer of technical innovation and the need for advisory services on specific programmes of productive reconversion. Among the practical activities and programmes to meet the objective of promoting employment and the eradication of poverty, ILO assistance was needed to analyse the long-term impact of structural adjustment and its effect on employment. There was also a need to integrate young people into productive employment and to improve the level of that employment. It was hoped that there would be advisory services for designing a market integration strategy with emphasis on comparative advantage, so that further productive employment could be promoted in all areas of the economy.

502. Referring to the fact that some governments were reviewing their labour legislation, with a view to making improvements and in order to extend legal coverage to workers who were not well protected, the speaker expressed the hope for technical advice from the Office.

503. Another important challenge was, in the view of the speaker, to promote development with respect for the environment. The aim of promoting a better social dialogue among the social partners was also crucial, as it played an essential role in economic and social development. Further improvement and progress was needed in this area. The 1992 seminar on this subject, held in the Americas, was welcomed but there had been a certain lack of continuity in the

follow-up, which was essential for the democracies of the region to function correctly. As a Member of the ILO, the Government of Chile also wished to contribute to the work of the Organization by sharing some successful experiences, such as improving the working capacity of young people. A 1992 training programme for young people between the ages of 15 and 24 years enabled 80 per cent of trainees to find employment in the formal sector. The Government had also developed programmes for promoting a tripartite social dialogue and for adapting institutions to the world of work, as part of economic globalization.

504. The representative of the Government of Panama observed with concern the reduction in resources for programmes in the region during the biennium 1996-97, which would come at a time when the region experienced the impact of structural readjustment and the globalization of the world economy, the social cost of which had increased poverty. It was felt that the levels of contributions made by member States were being increased at the same time as the funds allocated to the Americas were being reduced. It was hoped that appropriate adjustments would be made so that the resources necessary to meet the needs of the region could be adjusted better to strengthen areas such as employment policies and programmes and to eliminate poverty, as well as the adaptation of labour institutions to the challenges of globalization. The Government wished to acknowledge the excellent work done by the Regional Office in Lima, the Area Office in San José (Costa Rica), CINTERFOR and the Central American multidisciplinary advisory team which had benefitted the region and the country of Panama, despite the budgetary limitations being faced.

505. The representative of the Government of Colombia expressed concern about the diminished resources for the 1996-97 biennium and sought information as to the exact source of the supplementary resources, mentioned in Annex No. 5, as coming from the United Nations. The speaker considered that the five priorities outlined in the proposals were adequate and corresponded to the concerns identified by the labour ministries of countries of the region. However, there were difficulties foreseen in the ILO's contribution to meeting the first priority, which concerned the promotion of democracy and social dialogue, defined in paragraph 260.4.

506. The Government of Colombia did not appreciate the difficulties referred to in paragraph 260.8, which identified Colombia as one of the countries in which the ILO would, as a priority, promote ethnic equity in social and economic development, in accordance with the Indigenous and Tribal Peoples Convention, 1989 (No. 169). The speaker stated that the Government of Colombia had some of the most advanced legislation concerning indigenous peoples. In accordance with the reformed Constitution of 1992, two representatives elected by the indigenous community sat in Parliament. They shared the same rights as all citizens and benefitted from specific legislation designed to protect their rights, religious beliefs, culture, general customs and language. For that reason, the Government requested that the ILO programmes in Colombia be directed more towards strategies such as those defined in paragraphs 260.7, 260.9, 260.10 and 260.11.

507. The representative of the Government of Argentina indicated support for the programme but regretted that the resources for the forthcoming biennium had been reduced. The Government appreciated the urgent needs of other regions but considered it necessary to point out the efforts undertaken by the Latin American countries to improve their economies through programmes of stabilization, liberalization of their markets and regional integration. The five priorities outlined in the proposals met the needs of the region, particularly the proposal concerning the incorporation of the labour and social dimension into economic integration. The activities of CINTERFOR were also important to the region. The Government of Argentina preferred the deletion of the specific reference to the countries in paragraph 260.8, as those countries should, on the basis of their legislation and in conjunction with the multidisciplinary teams, establish their own priorities.

508. The representative of the Government of Venezuela expressed general support for the programme but also regretted the insufficient budgetary resources for the region. The five priorities for the ILO's regional programme, outlined in paragraph 260.4, were supported, although the Government considered that the presentation of the linkage between globalization and labour progress was somewhat weak. The speaker invited the ILO to incorporate into its studies of the priorities, outlined in paragraph 260.4, the social chapters contained in the programme and budget and declaration (concerning democracy, human rights, development conditions and the war on poverty), approved by the Presidential Summit, held in Miami, Florida, in December 1994, which brought together more than 30 Heads of State from the continent.

509. The representative of the Director-General (the Assistant Director-General responsible for ILO activities in Latin America and the Caribbean) expressed appreciation for the comments made. This was the first programme on a regional level that contained the results of the active partnership policy. The priorities outlined were not determined by the Office but resulted from a determination of the national priorities of each country, which concluded that the main problems were employment, poverty, the profound changes in the economies of the region wrought by the process of modernization and the need to strengthen democracy and social activity.

510. As concerned paragraph 260.8, which referred to the Indigenous and Tribal Peoples Convention, 1989 (No. 169), there had not been an intention to single out any particular country. On the contrary, the Office welcomed the suggestions made. Activities were taking place in Guatemala, for instance, as part of the peace process in cooperation with the United Nations mediator, in order to promote the provisions of Convention No. 169. It was acknowledged that the Convention was not the only legal instrument. It was also recognized that many countries had progressed in this area. However, the Convention provided support for the activities and development of the indigenous peoples and this coincided with the need to attach priority to the rural sector in many countries of the region, a matter mentioned by a number of speakers.

511. Finally, appreciation was expressed for the support given to the idea of a labour forum. The Office did not consider this too ambitious a proposal because it realized the resources were limited. Thanks were extended to the

Government of Chile for having offered to assist the ILO by providing information on its own experiences. It was hoped that the forum would indeed be an opportunity for exchanging information so that advantage could be taken of the knowledge and experience already generated in the region. Thanks were also extended to the Government of Venezuela concerning the importance of the need for advice and cooperation in the region. The Office had been in touch with the President of the Inter-American Development Bank and with others to ensure coordination of regional action, including with respect to the decisions arrived at during the Miami Summit.

Major programme 265 — Field programmes in Arab States

512. Mr. Nasr, speaking on behalf of the Employers, expressed his appreciation of the fact that, though the budget showed no increase, an extra $405,000 was reported in paragraph 34 from sources other than the major programme. The programme could be better balanced because there was no urgent need in the Arab States for more rules and regulations, and for the moment priority should go to activities for employers and workers. The multidisciplinary teams were doing excellent work now and he hoped that the technical departments would offer them their full support. The teams should concentrate part of their efforts on assistance to small and medium-sized enterprises, as these created the most jobs. Mr. Nasr expressed particular appreciation to the Office for the help it gave to Arab employers' organizations and also to the Arab Labour Organization, the Arab Gulf Programme for the United Nations Development Organization, Arab Chambers of Commerce and Industry and the International Confederation of Arab Trade Unions. He emphasized also the special importance of ILO activities in the autonomous regions and the occupied territories, which should be an important focus for the ILO activities in the future.

513. Mr. Tapiola, speaking on behalf of the Worker members, said that unlike other regional programmes, this one was not built completely in accordance with the major objectives of the ILO for the next biennium. One of the priorities, namely the promotion of democracy and of human rights, had been completely omitted, except for a single mention in paragraph 265.1 of the increased effort to reduce dependency on migrant labour. Given that this region had the worst record, in law and in practice, of respect for the ILO basic principles of freedom of association, the right to organize and to engage in collective bargaining, the ILO should make proposals to promote the ILO Conventions on basic human rights and to establish or strengthen independent and democratic workers' and employers' organizations in the region. Five out of the 11 countries covered by the Beirut-based multidisciplinary team, Oman, Qatar, Bahrain, Saudi Arabia and the United Arab Emirates, had not ratified Conventions No. 87 and No. 98, and he asked the Office what proposals it had for dealing with these problems. Although the programme made frequent reference to the ILO's tripartite constituents, it would be interesting to know whether the tripartite groups existed freely and independently in all countries of the region. A prerequisite for the functioning of tripartite consultation machinery was the existence of strong workers' and employers' organizations, and one way to remedy shortcomings in this area would be to increase the allocations for workers' education activities in

the region. The Workers strongly supported activities aimed at employment promotion and poverty alleviation, but these activities would be more effective if linked more strongly to programmes on technical cooperation and labour standards. Programme activities promoting the equality of women also deserved strong support, and the Office should aim at the ratification and implementation of Convention No. 111 by countries in the region. The Workers would also welcome stronger action than that foreseen in paragraph 265.15 for the strengthening and development of social security schemes.

514. Finally, the Workers' group supported as a priority the ILO programme of action for institutional capacity building on social and labour issues for the Palestinian authorities. Unemployment estimated at about 60 per cent and poverty were the main problems in the West Bank and the Gaza Strip, so the urgent improvement of living conditions should be the main concern of the Palestinian authority and international donors.

515. The representative of the Government of Qatar, speaking on behalf of the Arab group as well as his Government, expressed his support for the programme, and in particular for the activities in the occupied territories, even though the resources allocated in the programme and budget proposals were inadequate. The ILO had sent a multidisciplinary team to the occupied territories, and the report of its mission, entitled *Programme of Action for the Arab Occupied Territories*, contained action proposals which were subsequently adopted by the Palestinian authority, and a Convention was subsequently signed between the ILO and the Palestine Liberation Organization. Resources for this activity amounting to $900,000 allocated during 1994-95, were put at the disposal of Arab States field offices, and they were put into effect very successfully through the Arab States field offices. However, as only seven projects were implemented, not all the money was spent. He hoped that the ILO would be able to attract more donations from outside sources for similar activities. Resources allocated to activities in the occupied territories should be maintained, but not at the expense of other programmes in the region, as this would have adverse effects on assistance provided to Arab States throughout western Asia. Financial resources for the Regional Office for Arab States should be increased so that it could provide technical assistance to various departments in the Palestinian authority.

516. There were unfortunately a number of projects, agreed with the Palestinian authority, which had not been implemented. There was also a special project, aimed at the creation of employment opportunities, which would cost in total $2.3 million. The first phase would cost $250,000. In the 1996-97 budget proposals there were projects for industrial relations costing $500,000, and the ILO could help further by providing direct support to the Ministry of Labour and Vocational Training. There was a project costing $250,000 for setting up a social security system for the Palestinians, and another on income generation costing $350,000. All these works were urgent, and should be started as soon as possible.

517. Mr. El-Telawi, speaking on behalf of the Arab Labour Organization, was pleased to welcome the Regional Office's return to Beirut after its long absence, and he reiterated his Organization's support for tripartism and its willingness to cooperate fully with the ILO on issues of social welfare and protection. The reduction in technical cooperation activities, particularly in the

Palestinian territories was most unfortunate, and he regretted that the Office had not been able to accept a suggestion to discuss matters relating to the financing of technical cooperation projects. On the other hand, his Organization welcomed the ILO's efforts in the field of translation, and in particular he hoped to see an Arabic translation of the ILO *Encyclopaedia of occupational safety and health*, for which negotiations had already started.

518. The representative of the Government of Tunisia welcomed the provisions in the budget proposals for assistance to the Palestinian authority. He thought, however, that the $405,000 earmarked for institutional capacity building, as well as the amounts provided for employers' and workers' organizations, were inadequate and should be increased.

519. The representative of the Government of Egypt also regretted that only $405,000 had been allocated for technical cooperation, especially as $900,000 had been originally allocated. He hoped that at least the original figure would be restored.

520. The representative of the Government of Sudan expressed his support for the previous speakers.

521. A representative of the Director-General (the Assistant Director-General responsible for ILO activities in the Arab States) replied to the various questions raised by speakers. The Office considered the question of balance between tripartite constituents to be most important and would strive to achieve it. The Office also acknowledged the special role of small and medium-scale enterprises and would be giving particular attention to these activities. One of the prime concerns of the Regional Office for Arab States was the development and strengthening of workers' organizations and it was true that the text to paragraph 265.17 referred to a lack of organizational mechanisms for achieving this goal. The same paragraph did however mention that a key issue would therefore continue to be the promotion of international labour standards as a foundation for labour relations systems based on the principles of freedom of association, in which collective bargaining, tripartite consultations and dispute settlement procedures could flourish. The same paragraph also referred to an urgent need to promote the establishment of viable tripartite structures and to foster the establishment and development of independent employers' and workers' organizations which could play an active role in social dialogue. The following paragraph stated that objectives would be achieved through training activities, including specialized seminars and meetings, the preparation of training materials, including workers' education guides and manuals. Paragraph 265.20 said that the goal of these activities was that a number of governments in the region would have taken steps for the ratification of basic ILO standards and for the development of tripartite mechanisms. The Workers' group could thus be assured that the Office would give special attention to the points they had raised. The Regional Office for Arab States had also been very active in consultations between the governments of the region and the International Confederation of Arab Trade Unions and this dialogue continued at present. In reply to the other speakers, the Office continued the programme for the occupied territories as a top priority, and this was evidenced in the progress made during the past few months. The Office had been successful in using regular budget technical cooperation

funds as seed money and thanks were due to the European Community, the Swiss Government and the Italian Government for their contributions of $12.5 million, $2 million, and $1 million, respectively. The Swiss Government had made a further contribution of $600,000 for the establishment of a department of labour, and the Government of Italy had also provided a professional category official and an associate expert who would be based in the occupied territories to follow up the ILO programmes. The Committee could be assured that one of the Office's prime objectives would be to continue to expand and consolidate relations with the Arab Labour Organization and other regional organizations, such as the International Confederation of Arab Trade Unions and the Arab Chambers of Commerce and Industry.

Major programme 270 — Field programmes in Asia and Pacific

522. Mr Mokhzani, speaking on behalf of the Employer members, supported the programme and welcomed the fact that it would be implemented in consultation with the tripartite bodies. This was necessary because of the region's economic diversity which included newly industrializing countries, emerging economies and small island economies.

523. The 1996-97 Programme and Budget covered more countries following the addition of several emerging economies. In comparison to the 1994-95 budget, regular budget resources were marginally higher, while programme support income was expected to decrease by some $400,000. It was satisfying to note that approximately $3.3 million of RBTC resources had been allocated for field projects and that these would be spent in accordance with the priorities expressed by constituents in the region. The Employers agreed that emphasis should be given to the strengthening of employers' and workers' organizations and labour administrations in consultation with them, and hoped that the ILO would look into the problems of the development of small and medium-scale enterprises.

524. The Employer members welcomed the introduction of multidisciplinary teams. A review of this new approach should be carried out at the end of 1996-97 biennium. Three multidisciplinary teams had been established in the Asian and Pacific region in New Delhi, Bangkok and Manila. The teams in New Delhi and Bangkok had employers' advisers, but the Manila team did not, despite the fact that it covered a large geographical area and included the Pacific islands, Philippines and Indonesia. The Employer members proposed that an employers' adviser also be stationed in Manila.

525. Mr Khurshid Ahmed, on behalf of the Worker members, recalled to the Committee that the Asian and Pacific region not only accounted for more than half of world's population, but was a region which included highly developed nations and a number of the least developed countries. Moreover, more than two-thirds of the world's poor lived in this region; South Asia alone accounted for more than one-half of the world's estimated 1.1 billion poor. The problems of the region presented both challenges and opportunities for the international organizations, including the ILO. The Worker members therefore believed that the RBTC resources allocated to the region were almost at the point of zero growth. In addition, programme support income was expected to decrease by about $400,000 compared to that of 1994-95. He hoped that extra-budgetary

resources would be forthcoming so that the priorities set out by the ILO could be addressed. Within this context, he noted that more resources had been allocated to the network of offices than to the regional technical programme.

526. The Worker members fully supported the priority given to poverty alleviation and improving employment opportunities, and to the promotion of human rights and democracy. ILO technical assistance should be linked to the promotion of human and trade union rights in member States, and by doing so encourage member States which had not done so to ratify Conventions Nos. 87, 98, 29 and 111 concerning freedom of association, collective bargaining, the elimination of discrimination in employment and the abolition of forced labour. Similarly, the ILO should use technical assistance to encourage member States to implement ILO Conventions in both letter and spirit, and thereby eliminate the violation of trade union rights and human rights which was occurring in many countries. The multidisciplinary teams should work closely with workers' organizations so that they could monitor the implementation of ILO Conventions.

527. Tripartism should continue to be strengthened through independent and representative trade unions which had the capacity to tackle labour issues and contribute to the development of national economic and social policies. The Worker members had noted with satisfaction that some member States, including India and Pakistan, had ratified the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144) and hoped that other countries would follow their lead.

528. With regard to the activities on employment and poverty alleviation, the Worker members believed that national policies, as well as those of the IMF and World Bank, pertaining to globalization, international trade and structural adjustment which were being implemented throughout the world, and particularly in the Asian countries, ignored the human factor. Workers were not consulted and little attention was paid to the implementation of redundancy programmes, unemployment or the introduction of social safety nets. The Worker members urged the ILO to try to influence the IMF and the World Bank to ensure that social safety nets were provided, and that workers were consulted and were not treated as chattels and left unemployed and unprotected. Similarly workers in the informal sector should also be provided with better protection; workers should enjoy better working conditions, fair wages and job security. Tripartite machinery, as mentioned in paragraph 270.10 regarding structural adjustment, should also be used to deal with this sector.

529. The Workers' group looked forward to the follow-up action with regard to social exclusion following the Declaration and Programme of Action emanating from the World Summit for Social Development. In particular it encouraged action which would increase income-generating opportunities and eradicate poverty in the rural sector where most of the world's poor lived. Special emphasis should be given to investment in human resources, including the ratification of the Human Resources Convention, 1975 (No. 142), so that workers would have the education and training to allow them to make a sustainable living.

530. Asia sent and received many migrant workers. The relevant departments of the ILO should play a more active role in ensuring that the working conditions and trade rights of these workers were respected, that

discrimination against Asian migrant workers was eliminated and that social security benefits were protected.

531. Other programmes that the Worker members supported included the promotion of rural workers' organizations, the elimination of occupational safety and health hazards and occupational diseases, especially in the agricultural sector and in the mining, chemical and textile industries, the improvement of working conditions and workers' education, particularly where it concerned safety and health. With regard to this last programme, the ILO should improve the dissemination of information on ILO standards by publishing texts in local languages. The Worker members appreciated the support given by the Bureau for Workers' Activities to trade unions to help them tackle new issues and would welcome more resources so that trade unions and workers could play a more effective role in ensuring social justice.

532. The Worker members fully supported the programme aimed at eliminating child labour and encouraging member States to ratify the Minimum Age Convention, 1973 (No. 138).

533. Finally, the Worker members encouraged liaison between headquarters and the multidisciplinary teams and the field and regional offices. The close contact maintained by the Regional Office, under the leadership of Mr. Nakamura, was appreciated and this should be continued during the next biennium. The field offices should be given more resources to tackle problems. The problems of the Central Asian countries and especially their workers required particular care, as they were new ILO members.

534. The principles and objectives identified for the next biennium to alleviate poverty, protect workers and promote democracy and human rights would be supported of the Worker members, so that the down-trodden peasant and the working class could enjoy a better future.

535. The Chairman, in giving the floor to the spokesman for the Asian governments, expressed his appreciation that the Asian countries, and especially the Asian governments, had coordinated their statements. Such coordination allowed a more effective and efficient analysis of the budget proposals and their example should be followed by other regions.

536. The representative of the Government of India, on behalf of the Government representatives from the Asian and Pacific region, expressed his appreciation of the role which had been played and continued to be played by Mr. Nakamura. The two themes which the Asian and Pacific governments would like to see focused upon during the forthcoming biennium were unemployment and poverty and he urged that the declaration from the World Summit for Social Development be followed up. The Asian and Pacific region was the most populous region and contained two-thirds of the world's poor; consequently there was a wide range of topics covered by major programme 270. It was important that the planned range of activities focused on these two priority areas. The members felt very strongly that the resources allocated were inadequate to support all the activities mentioned. Although the Government members did not want to start a bidding competition, the proposed activities were ambitious and important and the resources allocated to this major programme were not commensurate with these ambitions.

537. According to Annex No. 2, the ILO had allocated 7.22 per cent of the budget to the Asian and Pacific region. More countries had recently joined this region and more would do so in the future. In effect this meant that there were less funds to distribute amongst them. There were also gaps in the field structure. A substantial increase in funds should be allocated to the region. By way of comparison the Asian and Pacific region was allocated $3.3 million for RBTC, while Africa was allocated $4.7 million and Latin America $4.2 million; $3.3 million appeared to be extremely inadequate.

538. The patronizing tone of the programme and budget proposals towards human rights and democracy and the governments' reservations with regard to the way this issue had been treated had been mentioned in previous statements and would not be repeated during this discussion. The Government members strongly supported the activities concerning child labour and in particular the International Programme for the Elimination of Child Labour. It was an extremely important initiative and it would be tremendously encouraging if more donors would contribute towards the fulfilment of the objectives which the region had set for itself.

539. Finally the Government members supported the proposal of the Employer members for the appointment of an employers' adviser in the multidisciplinary team stationed in Manila.

540. The representative of the Government of the Islamic Republic of Iran supported the proposed field programme in Asia and the Pacific but argued that the proposed budget for these activities was insufficient. Firstly, the Asian Pacific region was vast. And not only was it the largest geographic region, but an economically diverse region covering the island states in the Pacific, the industrializing economies of the Pacific Rim, the populous countries of South Asia, transition economies, countries undergoing structural adjustment and, finally, countries emerging from war. One only needed to think of this diversity to conclude that the ILO's activities in the region would also need to be diverse. The proposed budget was a serious handicap in this respect.

541. Second, the largest portion of the world's population lived in Asia and the Pacific. Some countries, on their own, had a larger population than some continents. Accordingly, the largest concentration of world poverty and unemployment was also in Asia. If the ILO was serious about the fight against poverty and unemployment this should be reflected in the budget allocations made for this region, especially as the fight against poverty and unemployment had been designated as priority areas for the ILO and for the follow-up to the World Summit for Social Development. As previous speakers had said, follow-up to the World Summit should not be restricted to the publication of a report. The ILO's field activities in Asia dealing with poverty and unemployment clearly needed to be strengthened.

542. Third, as previous speakers had stated, outcomes were important. No one could doubt that the field programmes, which had a direct effect on capacity building in the member States, were the best means of ensuring proper outcomes. This was evident when the effectiveness of field activities was compared to activities at headquarters. The Committee did not need reminding that more

savings could still be made in Geneva-based activities which could be used for field activities.

543. Fourth, the introduction of the active partnership policy which aimed to bring the ILO closer to its constituents should have meant that the budget for field activities was increased. Instead it had resulted in large expenditures at headquarters. This should be corrected by an increase in the budget for field activities.

544. Finally, the number of member States in Asia and the Pacific had increased; the Republic of Korea and Viet Nam had become members, Mongolia and Afghanistan had been transferred to this region, which would probably increase again during the next biennium. This increase was not compensated by an equivalent expansion in the budget for field activities in the region. This should be corrected so that field structures could take account of these changes.

545. Exchange rates had shifted radically since the previous biennium. The budget was assessed in Swiss francs but the allocation for field activities was in United States dollars. Due to the decreased value of the dollar, field activities in general would have a smaller share of the total ILO budget. For these reasons the budget for field activities in Asia and Pacific should be increased.

546. The representative of the Director-General (the Assistant Director-General responsible for ILO activities in Asia and the Pacific) thanked the Committee for their words of encouragement and their active support of the proposals for field activities in Asia and the Pacific. Although the importance of having specialists on the multidisciplinary teams to promote activities aimed at employers and workers was recognized, limited financial resources made it impossible to add further specialists. Any increase in the budget allocation to the region required the authorization of the Director-General, but he hoped their arguments for an increase would be taken into account when the budget was finalized.

547. Replying to the statement made by the Government members concerning human rights, he said that his major concern was that economic growth was accompanied by an improvement in social conditions. This had not always been the case in the past. There was a risk that if social conditions did not improve, working people's dissatisfaction might lead to instability and consequently jeopardize the momentum for growth. The concern was how to maintain the momentum for growth while eliminating factors which might cause social unrest so that this potential risk did not become reality. He had not intended to single out Asia for criticism of their human rights record. Major programme 270 should be seen as expressing the orientation of ILO activities in the region so as to ensure that all possible means were mobilized to avert social unrest becoming a reality. The activities relating to human rights outlined in the programme and budget proposals were intended as encouragement and not as a criticism.

Major programme 280 — Field programmes in Europe

548. Speaking for the Employer members, Mr. Arbesser-Rastburg noted that the European region included the Central Asian countries of the former Soviet

Union. The proposals divided the region into three groups, but he wished to focus his remarks on Central and Eastern Europe, since the most urgent need for assistance was there. Although the global amount of resources available for the region from regular budget and other sources would be increased by 3.5 per cent, this was hardly enough given the demand for ILO services. For example, countries in Central and Eastern Europe still did not have established organizations of workers and employers as they were understood in the Western market economies. Such organizations were the foundation stones of economic development, and would have to be built up along with all the other institutions which underpinned market economies. It was not just a question of properly functioning labour administration, but one of properly functioning tripartism. The Employers highlighted the need for greater social protection in both Western Europe where unemployment was high, and in Central and Eastern Europe where employment was declining. The proposed increase in the regular budget reflected greater costs arising from the transformation of the Moscow branch office into a full ILO office. The Employers also took note of the small size of the Budapest MDT which was called upon to service 18 countries. The MDT was performing a valuable role, and with a full office now in Moscow the ILO was well placed to carry out a full range of activities in the region. Finally, the Employers were pleased that the Copenhagen Summit had successfully highlighted the ILO's special expertise in the employment field. He hoped that this success would be reflected in the ILO's ability to attract resources from other agencies for work in the region, such as from the European Bank for Reconstruction and Development.

549. Mr. Tapiola for the Worker members, expressed his satisfaction with the proposals. He was pleased to see that the promotion of labour standards was fully integrated into each of the four major objectives of the programme, and his one reservation concerned whether the proposal for improving labour statistics could be considered a priority for the region. The Workers' approved of both the MDT in Budapest and the upgrading to a full ILO office of the Moscow branch office, but they were concerned that there had been no MDT established for the Central Asian countries.

550. The ILO's own structure in Europe lagged behind recent economic and political changes there. There was neither an MDT nor an ILO office for the Central Asian member States. At the same time, in upgrading the Moscow office, resources had been taken from the Bonn, Brussels and Paris offices. One could understand the logic of the Director-General in his efforts to create a more equitable presence of the ILO throughout the world, as reflected in the expansion of the ILO's presence in South Africa and Moscow. However, an overall strategy for reorganization was lacking in the proposals and decisions, such as the closure of the ILO office in Ottawa, seemed haphazard.

551. The representative of the Government of the Russian Federation voiced full support for the programme's proposals. The programme's priorities were of great importance in the context of rising unemployment and falling living standards in Central and Eastern Europe, and the ILO could assist in tackling these problems. Two further priorities, however, should be taken into account: assistance towards the training and retraining of managers in adjusting to market economy principles; and improving safety conditions at work. Concerning the

relationship between Geneva headquarters and the MDT in Budapest he stressed that headquarters should continue to bear the general responsibilities for the MDT's activities, supervise these activities, and periodically monitor their effectiveness. He called for an increase in the amount of RBTC funds for the transition economies and welcomed the upgrading of the Moscow branch office, which would ensure a more active presence of the ILO.

552. The representative of the Government of Germany associated himself with those who had spoken of the importance of the field programmes in Central and Eastern Europe. He had resisted the planned staffing cuts in the Bonn branch office because Germany had had a unique experience as the only country in which an advanced industrialized economy had combined with a transition economy. Others would wish to learn more of Germany's experience as many had done already. In handling such requests, the Bonn branch office staff had borne a considerable burden of work, and their capacity to do so after the proposed staff cuts would diminish.

553. The representative of the Government of Hungary emphasized his Government's support for this programme and its priority objectives for Central and Eastern Europe, particularly the strengthening of labour administration and the development of labour market policies.

554. A representative of the Director-General (the Director of the Regional Office for Europe), thanked the Committee members for their expressions of support. He stated that over the past six years there had been a systematic effort to rationalize the efficiency of the West European branch offices. Even as the need arose for more resources to be directed toward Eastern Europe, the West European offices remained of great importance in public relations and in maintaining contacts with donors for assisting developing and transition countries. While there was no MDT for the Central Asian countries, an ILO official had been placed in the UN office in Almaty (Kazakhstan) on a cost-sharing basis with the UNDP, as a means of strengthening the ILO presence in the region.

555. Improving the systems of labour statistics in the transition economies was essential, since accurate statistics would form the basis for policy actions. Training, retraining as well as occupational safety and health were also priorities of the programme, although at present technical expertise was supplied from headquarters rather than the MDT. As a final comment, he mentioned that the reduction of resources in the Bonn office would bring it into line with the London and Paris offices.

Major programme 290 — Other budgetary provisions

556. There were no comments on this major programme.

Major programme 295 — Unforeseen expenditure

557. There were no comments on this major programme.

Major programme 296 — Working Capital Fund

558. There were no comments on this major programme.

Reply by the Director-General to the discussion of the programme and budget proposals

559. At this point the Committee adjourned to enable the Director-General to reconsider his programme and budget proposals in the light of the various views expressed by its members. When it resumed its work, the Director-General made a statement on the adjustments to the original proposals which he had found it possible to suggest. This statement is reproduced in Appendix II. Tables showing the adjustments to the initial proposals, the provisional programme level resulting from the adjustments proposed by the Director-General and the proposed expenditure budget for 1996-97 by major programme are appended as Appendices III(A), III(B) and IV, respectively.

Further discussion

560. The Committee had before it a document[1] containing the Director-General's suggested adjustments to the Programme and Budget proposals for 1996-97, which were considered together with the Director-General's oral statement to the Committee.

561. Mr. Oechslin, speaking on behalf of the Employer members, said that he was concerned that their general position on the programme and budget should be perfectly clear and, as far as possible, properly understood.

562. The Employers' attitude was not one of systematic opposition and never had been. As constituents of the ILO, it was their responsibility to develop a certain view of the future of the Organization and to defend it vis-à-vis, and along with, the other two groups and the Director-General so that it was given due consideration in the final decisions.

563. During the discussion by major programme the Employers had broadly endorsed most of the programmes, making such suggestions as they felt were constructive; many of these had been supported by other members of the Committee and even acted upon by the Director-General. It was out of the question to doubt their commitment to such fundamental and pressing spheres of ILO action as human rights in their social dimension, the development of employment and an effective standards-setting policy, as well as to its practical activities in such areas as training, occupational safety and health and the promotion of independent employers' and workers' organizations. The Employers supported the efforts that had been made to bring the ILO closer to its constituents and to respond more effectively to their expectations.

564. They had therefore been surprised and even somewhat shocked by some of the Director-General's comments and by the tone that he had used to describe their position, which quite obviously he had not fully understood. It was not a negative position.

565. At the end of his statement at the beginning of the previous week the speaker had referred to the endorsement of several key programmes, but previously he had tried to voice two major concerns of the Employers.

[1] GB.262/PFA/9/3.

566. The first had to do with the policy on standards. The Employers had hoped to find in the programme and budget proposals clearer evidence of a new approach to standards, especially in the light of the Conference debate and the initial discussions of the Committee on Legal Issues and International Labour Standards. The Director-General had taken a very positive line on the subject in the preface and introduction to the document but, in the Employers' view, the content of the programmes did not reflect the same point of view. That being so, the *status quo* was in fact a step backwards. The speaker added that the Employers' reservations with regard to the so-called "soft" standards had been widely endorsed by the Workers' group.

567. The Employers' second concern had to do with the employment policy. They regretted that *World Employment 1995* did not take into account their contribution on certain essential and sensitive points, and they could therefore not give it their wholehearted approval. The Employers believed that the Organization's credibility depended to a large extent on the tripartite commitment of its constituents, and they wanted them to participate fully in defining the positions and determining the activities of the ILO so that they could give them their unreserved support.

568. Regarding the role of non-governmental organizations, the speaker hoped that the previous week's debate had clarified the situation and dispelled the apprehensions of both employers and workers, and that it would be followed by concrete action.

569. He considered that a side-effect of the effort that had been made to make the budget more readable had been that the information it contained was not precise enough to serve as a proper basis for decision and implementation.

570. As regards the adjustments proposed by the Director-General, it was admittedly difficult to give satisfaction to all the requests that had been voiced during the debate within a context of zero growth. The Employers had examined the adjustments carefully and considered that they represented a no doubt difficult choice but one which they could approve.

571. In particular they had noted with satisfaction the budget provision to finance the Enterprise Forum and the Director-General's clarification regarding the role of representative employers' organizations in the selection of participants.

572. The Employers were also satisfied that it had been possible to increase the resources allocated to the programme on multinational enterprises and social policy.

573. In the light of the foregoing, the Employers were in a position to approve the Programme and Budget proposals for 1996-97, though they wished to reiterate the very serious reservations they had expressed on standard-setting policy and employment policy.

574. They very much hoped that these reservations would be borne in mind in all further consideration of the reform of the Organization's standard-setting policy and in the action that it undertook to carry out the important mandate it had received from the World Summit for Social Development.

575. Mr. Tapiola, speaking on behalf of the Worker members, wondered how much notice had really been taken of their statements in view of the fact that

the revised proposals amounted to a net adjustment of 0.2 per cent of the original total. He wondered also whether it would be possible in the future to reorganize the procedure for discussion of programme and budget proposals since it had taken almost one week for the Office to produce only the adjustments now being discussed.

576. The Director-General had explained that only marginal changes could be made to the original programme and budget proposals. For some time now the Workers had been calling for more transparency on evaluations and reports on how programmes were carried out, and they naturally felt some frustration with this response. The implication should not be that the Committee was becoming marginalized.

577. The Workers continued to insist on the transfer of the activity on hotels and tourism from major programme 65 back to major programme 100, dealing with sectoral activities. ILO activities in this field should not be geared towards enterprise development; in fact there was a lot of growth and employment creation taking place. The problems in the hotels and tourism sector concerned working conditions in the industry, especially women and migrant and casual workers, and the sustainability of jobs. ILO activities on working conditions and the application of standards were far more relevant than those concerning the development of enterprises. Priorities could be totally confused if the Office started transferring sectoral activities to the enterprise programme, and the Workers therefore strongly insisted that it be transferred back to major programme 100.

578. The *World Employment* report, which the Director-General planned to issue every two years, was not mentioned in the revised proposals, and the Workers reiterated their view that it should be issued annually. The revised proposals did, however, refer to the *World Labour Report*, which was to be published once every two years, and the Workers hoped that the Office did not intend to propose that they be published in alternate years. There should be no confusion of roles between these two publications, which had different target groups. The Workers had called also for a discussion on the criteria by which action programmes were developed but the revised proposals contained no information on this, nor on the recommendation for an action programme on the promotion of human rights Conventions. There was a modest increase proposed for programme 50.3, which was better than nothing, but in addition an action programme promoting the human rights Conventions would have been more appropriate. Under major programme 80 the Workers had proposed an action programme on the institutional arrangements for social and labour issues in connection with regional integration but there was no response to this request either in the revised proposals. The Workers still hoped that the action programme in major programme 70 on countries emerging from armed conflict could be widened to include labour issues, in line with their earlier recommendations. The Workers hoped also that the budget contained some provision for the Working Party on the Social Dimensions of the Liberalization of Trade.

579. Turning to the individual adjustments, the Workers felt that adding one day to a tripartite meeting of experts on migration was illogical and insufficient in the absence of a more detailed study on how programme 60.4 could be

reorganized to take into account the concerns expressed earlier. The adjustments proposed to major programme 65.1 and 65.2 represented basically an exchange of resources that the Workers could accept.

580. The Workers were most unhappy with the proposal to delete an international symposium on minimum wage fixing. On page A2-6 of Information Annex No. 2 there was a budget line for remuneration of $1,247,624 and this should be examined again to see whether it would accommodate the cost of a symposium. Work on minimum wage fixing should continue anyway because of its importance to the many countries undergoing structural adjustment, suffering from serious economic problems, or in the process of transition to a market economy. Minimum wages also had serious implications for programmes on social security, and their role in the debate on the social dimensions of the liberalization of trade could be further clarified. The Workers had proposed two action programmes on major programme 85, dealing with multinational enterprises and social policy, which had not been acted upon, but the added resources would at least allow some basic work already agreed upon to be done. The Workers could accept in the circumstances the postponement of the Meeting of Experts on Ambient Factors at the Workplace under major programme 90.2. They also agreed with the additional resources proposed for major programme 140 on Equality for women but would have preferred more. A discussion had already taken place on the relationship between the Programme Flexibility Reserve and the provision for Unforeseen expenditure but it would be useful to have more information for future discussions. Most of the savings proposed in major programmes 180.3 and 220.2 related to the *World Labour Report*, which was a pity because even in the electronic age the printed word was still the most useful. The increased technical support proposed for major programmes 270 and 280 had the full support of the Workers.

581. In summary, the Workers still sought clarification on the hotels and tourism sector and on the symposium for minimum wage fixing, after which they would be able to accept the Programme and Budget proposals for 1996-97 as amended.

582. The representative of the Government of the United Kingdom, speaking on behalf of the Government group, recalled that it had expressed broad support for the Programme and Budget proposals for 1996-97. The group had made a number of comments during the course of discussion and it was pleased that the Director-General had accepted its unanimous request to remove paragraph 73 of the Introduction, proposing a cut in interpretation costs, from the final version of the proposals to be submitted to the 1995 Session of the Conference. The group had also noted the Director-General's commitment that directors of the various programmes would have taken note of the group's detailed comments and would integrate these in the detailed planning and implementation of the Programme and Budget for 1996-97. This should include the critical comments that the group had made on some of the action programmes. However, the group still had the impression that not all its comments had been responded to and it wished to voice a number of specific concerns.

583. The Director-General had suggested there was widespread acceptance of the philosophy that under a zero real growth regime only marginal shifts

between programmes were possible. The Government group had rejected this view before and continued to do so. The Director-General had also mentioned the need to achieve a balance between activities designed to increase the ILO's influence on public opinion and those aimed at practical activities in the field. The group had emphasized during the general discussion the previous week that it attached greater importance to practical activities, particularly for the employment programme. The group was prepared to accept the publication of the *World Employment* report every two years, but would like to know what proportion of the $3.4 million would be spent on it, how much on other publications, and how much on practical activities such as technical cooperation. There should be scope for further rationalization on ILO publications such as the *World Employment* report and the *World Labour Report*. It was also difficult to understand why the Office needed such large sums to put together reports on employment when, through the article 22 reports on Convention No. 122, the information was already available from its own constituents. This would be another fruitful area for rationalization.

584. The Government group also had a number of comments about the regional programmes. The Western European group supported the increase in resources for the programme on equality for women but was a little disappointed that even the increased figure was quite modest. The Eastern European group was concerned that the meeting of privatization had been postponed. A number of reservations about the modalities for that meeting had been registered but the topic itself was extremely important to them and they preferred to retain it in the 1996-97 biennium. The Asian group acknowledged that the additional resources recognized that new member States were joining from that region, but it was particularly concerned about the employment programme. They also supported the statement by the Workers that one additional day for the Tripartite Meeting of Experts on Future ILO Activities in the Field of Migration was hardly sufficient to deal with the many problems of migrant workers.

585. The African group was worried about the overall level of resources for the African regional programme and was anxious to see that the region was not being marginalized. The Governments of the Americas region also were disappointed at the overall level of resources available for their regional programme, and all the governments expressed concern at the level of the budget and the ability of member States to pay their contributions.

586. Governments had accepted the principle of zero real growth for some years now and did not question the technical accuracy of the Office's calculations on cost increases. They appreciated the fact that the increase was lower than last time and lower than that proposed for other Geneva-based organizations. However, many national administrations faced zero nominal growth and even nominal reductions in budgets. For them, it would be difficult enough to accept a 7.24 per cent increase in contributions, to say nothing of what they might face if current exchange rates continued.

587. The Government group once more appealed to the Office to see whether more cost increases could be absorbed. The net saving of US$3,000 shown in the revised proposals could simply not be taken seriously. The Office should also search for more savings by eliminating wastage and improving

efficiency in the administration of the Office in order to protect expenditure on programmes. The Government group said that the Finance Committee in June and possibly this Committee in November would have to revisit the exchange rate problem and look at new solutions. The whole Organization should understand clearly the impact on the Governments of member States of the exchange rate adopted at the Conference in June.

588. In conclusion, the Government group expressed broad support for the Programme and Budget proposals for 1996-97 but was concerned that after a week of detailed discussion the revised proposals showed very little change.

589. The representative of the Government of Qatar expressed his support for the adjustments to the Programme and Budget proposals for 1996-97, as presented by the Director-General, which he considered to be justified. He expressed some surprise, however, at the fact that the Office had not responded to requests which had been made by a number of member States regarding increases in the amounts to be allocated to the Palestinian occupied territories. Certain organizations had already given their support to the regional office of the Arab Labour Organization locally, and he believed that the ILO should also give rapid and immediate assistance and support to the peace process and to the efforts currently being undertaken by the Palestinian authorities.

590. The representative of the Government of the United States welcomed the revised programme and budget proposals but was surprised to note that the concern expressed by his Government was not reflected in the overall adjustment. A reduction of $3,000 was not felt to be indicative of a serious effort to absorb cost increases. Many governments were justifiably concerned about the possible effect of exchange rates and, although the June exchange rate could not be foreseen, it would almost certainly be less than 1.45 Swiss francs to the dollar. Experience had shown that the Office exercised responsible management in reducing spending, when this was necessary to meet income shortfalls. Member States, however, also had a responsibility to set the priorities for the Organization. The revised proposals did not go far enough in indicating what programmes might be reduced or how cost increases might be absorbed. This was a missed opportunity which would have to be confronted in the future, when it may be even more difficult to come to an agreement on the hard choices that must be made.

591. The representative of the Government of Germany repeated the thanks expressed by the Government group to the Director-General for having offered clarification on the question of languages. This was a very important issue. With regard to the *World of Work* publication, it was hoped that the quality of the German edition would not be reduced and that necessary resources would be made available for that activity.

592. The representative of the Government of Argentina expressed his support for the statement made by the Government group, which had mentioned the problems arising from fluctuations in exchange rates. He believed that the Office was in the best position to determine where necessary adjustments could and should be made. It was natural that each group and each region should defend its own interests and should prefer not to see cutbacks made in programmes which concerned them most directly. He suggested that the US dollar budget could be

adjusted once the Swiss francs level for the budget was determined in June. Adjustments could be made across the board or by programme if a good proposal from the Office was forthcoming and was acceptable to the Organization's constituents.

593. The representative of the Government of Tunisia, speaking on behalf of the African group, expressed his disappointment at the fact that the expected increase in resources for the African region had not materialized, given the critical economic situation of the region. Resources for Africa were clearly insufficient and the situation was further aggravated by the considerable reduction in extra-budgetary resources. The reduction in resources for the *World Employment 1995* report was supported and it was hoped that savings in this area could be made available to the African region for use in technical cooperation activities as well as field activities in general. He added that the African group fully supported the request made by Qatar for resources to be provided for the Palestinian occupied territories.

594. The representative of the Government of India, speaking on behalf of the Asian group, wished to highlight one area of concern regarding the budget for technical cooperation in the Asian region. He realized that there were restrictions imposed on the Director-General by the need to adhere to a zero growth budget but pointed out that technical cooperation resources for Asia were much lower than those for Africa or Latin America. In spite of that constraint, he appreciated the recognition the Office had given to the fact that the Asian region had more countries joining it and that this had placed considerable strain on the Asian budget.

595. The representative of the Government of Egypt expressed his approval and support for statements made by the United Kingdom on behalf of the Government group as well as those made by the African group. He also supported the comment of the representative of Qatar regarding the occupied Palestinian territories.

596. The representative of the Government of Canada supported the statement made by the Government group and the comments made by the United States and Argentina on the cost levels of the budget in the light of possible exchange rate fluctuations. During the general debate the Canadian delegation and many other delegations had raised the question and highlighted the need for maximum absorption of costs and to set priorities. If budget reductions were necessary, there should be a clear indication of where the priorities would lie. She shared the somewhat pessimistic view of the United States that the exchange rate was probably not going to be at 1.45 Swiss francs to the dollar and was therefore somewhat disappointed to note that there was not a greater acknowledgement by the Office on the need for a contingency plan.

597. The representative of the Government of Pakistan supported the adjustments to the programme and budget proposals and was particularly pleased to note the additional allocation made in programme 272 for field programmes in Asia and the Pacific.

598. The representative of the Government of Sudan stated that although he appreciated the efforts made by the Office in taking into account observations made by the Committee, he wanted to associate himself with the views put

forward by the Government group and the African group concerning resources allocated to the African region. He hoped that those resources could be increased, thus avoiding further marginalization of Africa. He also hoped that Africa would benefit from assistance with unemployment problems and from the follow-up to the World Summit in Copenhagen. African countries were badly affected by unemployment and poverty and most of the least developed countries were in Africa. He also expressed his support for the request made by Qatar regarding assistance to the Palestinians, in the light of the very difficult situation in the occupied territories.

599. The representative of the Government of Kenya agreed with the Government group and African group concerning the continued marginalization of Africa in the allocation of resources. He observed that the Director-General's revised budget had failed to take into account what had been said during the Committee's proceedings with regard to field programmes in Africa. Although the Director-General's programme and budget proposals had given a very clear and accurate description of the critical situation prevailing in Africa today, the level of resources allocated for regional field activities continued to be grossly insufficient, thus minimizing their impact on the region.

600. The representative of the Government of the Islamic Republic of Iran expressed his appreciation of the efforts which had been made in the preparation of the budget proposals in spite of the financial constraints of zero real growth. He agreed with the statements made by the Government group and the Asian group, and hoped that the requests made in the general discussion would be taken into account.

601. The representative of the Arab Labour Organization associated himself with his colleagues from Qatar, Tunisia and Egypt who had set out the position of the Arab countries. The resources proposed for the occupied territories were not only insufficient in view of the urgent needs in terms of employment and labour generally, but were likely to discourage other organizations and other donor countries from assisting the Palestinians and participating in ambitious projects which had been drawn up after the multidisciplinary mission to the occupied Palestinian territories. It was unfortunate that resources had been reduced in comparison with previous years at a time when territories under the competence of the Palestinian Authority would be extended. It was hoped that the ILO would be able to review its commitments to meet the expectations of member States and workers. The problem of marginalization was very real, especially for the workers and employers in the occupied territories. He recognized that the situation was difficult, but in some cases exceptional treatment was required.

602. Miss Mackie, speaking for the Employer members, believed that placing the hotels and tourism sector in major programme 65 (Enterprise and cooperative development) was a sensible and practical solution, because that programme identified all the priority issues which the Committee would like to be recognized, including improvement in efficiency and productivity, as well as the issue of difficult working conditions.

603. Replying to the comments that had been made, the Director-General remarked first of all on some speakers' impression that the small number of adjustments submitted did not do justice to the importance of the debate. He

observed that no one had actually pinpointed a single saving, and he was somewhat concerned at Ms. Hartwell's suggestion that it should have been possible to give the constituents more while asking them for less — in other words that it was still possible to make major cuts or to choose between different options. The Director-General recalled the important decisions that had been taken in recent years by the Governing Body, all of which imposed certain constraints on the Office. He had, for example, asked if the Governing Body might conceivably agree not to convene the International Labour Conference every year, to shorten the Conference sessions or to hold fewer Governing Body sessions, and the answer had been "no". The suggestion that sectoral or regional activities might be curtailed had come up against the same negative answer. He went on to examine the possibility of economizing on support services, which had already been cut considerably in the last two biennia, and concluded that it would be irresponsible of him to propose a further series of substantial savings in this area as they could jeopardize the whole functioning of the Office. As to the technical programmes, the issues involved and the increase in the number of constituents were such that any attempt to make major economies would again have serious implications for the Office. Gains in productivity were possible, but they must be used to improve the quality of the programmes and hence the services rendered to the constituents.

604. Turning to the remarks of member States concerning the difficulty they might have to pay their contributions because of the exchange rate of the dollar to the Swiss franc, the Director-General considered that some choices would most probably have to be made in June but that, so long as the applicable rate was unknown, it was too early to do so. Regarding those choices, he pointed out that the only expenditure that might not be authorized was on meetings; as a last resort, the possibility of not holding a Maritime Session of the Conference, of postponing the regional conferences or of abandoning a series of meetings would have to be considered. He emphasized once again that making cuts in technical programmes would seriously handicap the Organization's means of action for a long time to come.

605. The Director-General thanked Mr. Oechslin for his statement and for the Employers' group's endorsement of the programme and budget proposals. Regarding the points on which the Employers' group had asked for clarification, the Director-General said that, as far as standard setting was concerned, it would have been improper for him to prejudge the outcome of the debate in the Committee on Legal Issues and International Labour Standards. He had on several occasions expressed his conviction that the ILO must review its policy and procedures, and it was the Office's responsibility to provide the Governing Body with such documents as might help it reach its decisions. Once those decisions had been taken the necessary reforms could be undertaken, but it was not for the Office to decide on the substance of those reforms.

606. The same applied to the question of employment and to the follow-up of the Copenhagen Summit, which would be discussed at the current session of the Governing Body.

607. Turning to a number of remarks that had been made by the Workers' group and by members of the Government group, he said that some of their

criticisms of the programmes of action stemmed from the fact that the discussion on the subject was only a recent innovation. But the discussion was important and the views expressed should help the Office to improve and fine-tune its programme of action. All the officials responsible for the programmes would take those views into account. The Director-General further suggested that the next programming cycle might be improved by including the programmes of action in the preliminary consultations, so that the Governing Body could indicate its preferences and make the necessary choices. At the present stage, some improvements could be made in the programmes on the basis of the remarks that had been made but it was extremely difficult to add anything new. He observed, however, that there had been a certain degree of consensus on the usefulness of the programmes of action even though there was room for improvement.

608. The Director-General recalled his proposal regarding the employment report, namely that the $3,669,000 initially allocated be split into two amounts, that half at least be spent on preparing a report and that a decision on the rest be postponed to November 1995 when the Governing Body itself — and the United Nations — would have reached a decision on the follow-up to the Copenhagen Summit. That would be the best time to decide whether or not a second report should be issued during the biennium or to use the resources for other activities.

609. With regard to Mr. Tapiola's comments on what was missing from the proposals — programmes on the liberalization of trade and on the promotion of basic rights, for example — the Director-General recalled that the current session of the Governing Body was being called upon to discuss and reach a decision on three important follow-up activities: the findings of the Working Party on the Liberalization of Trade, the follow-up of the Copenhagen Summit, and the conclusions of the Committee on Legal Issues and International Labour Standards on a reform of the Organization's standard-setting activities and the promotion of workers' basic rights. These issues were all as complex as they were sensitive, and it was not for the Director-General to prejudge the decisions of the Governing Body. He agreed, nevertheless, that they would have to be looked into during the coming biennium and that adjustments would have to be made in the light of the Governing Body's decisions. As to the place within the secretariat of the officials responsible for hotel and tourism activities, the Director-General explained that the presence of this team was justified by the interest of donor countries in technical cooperation activities. The most suitable place for them, therefore, was either the major programme covering small and medium-sized enterprises or the programme on training. After careful consideration, it had been decided that this issue could most properly be dealt with under the activities devoted to enterprises. The Director-General emphasized that, whether they came under the Enterprise Department or Training Department, the activities would still take account of safety and health considerations, working conditions and the dignity of workers. This principle, he stressed, applied to all the ILO's activities and officials, as it was the Office's specific task to ensure that an economic development or employment creation project did indeed correspond to a certain number of standards and social values and that the two went hand in hand. The officials working on hotels and tourism were a case in point. If at some future time external resources for technical cooperation were to dry up, the Office would continue to concern itself with the conditions in which workers in hotels and

tourism were employed, just as it did for other sectors for which it did not necessarily have a separate branch. The hotel and tourism sector was important and, in addition to its traditional activities in that area, the ILO contributed to the creation of small and medium-sized enterprises and assisted in training and in the design of programmes aimed at guaranteeing the safety and dignity of workers.

610. In reply to another question raised by Mr. Tapiola, the Director-General said that the fundamental criterion in selecting the programmes of action had been the identification of priority areas where the Office needed to improve its expertise so as to be able better to serve its constituents. He repeated that in future he intended to submit proposals regarding programmes of action to preliminary consultation so that the Governing Body could indicate its preferences.

611. The Director-General regretted that, given the constraints that he had referred to earlier, it had not been possible to propose more far-reaching deletions or additions. He concluded by underlining the usefulness of the observations that had been made during the debate and the Office's promise to take them into consideration in making the final touches to the proposals. It was in this spirit that he had asked the Committee to approve the draft budget submitted to it and the proposed adjustments.

612. Mr. Tapiola, on behalf of the Worker members, thanked the Director-General for his comments, which had addressed most of their concerns. He explained that when the Worker members had asked whether there were provisions in the programme and budget proposals for the follow-up to the Working Party on the Social Dimensions of Liberalization of Trade, they were not asking for detailed explanations in the proposals of how this would take place, but merely for an assurance that resources were there. With regard to the action programmes, the Worker members agreed with the Director-General that these new activities required early discussion of the criteria to be used, together with evaluations and continuing discussion as the programmes were implemented.

613. However, the Workers could still not agree, even after hearing the Director-General's comments, that the hotels and tourism sector should remain part of programme 65.2 (Entrepreneurship and management development). They sought an assurance that activities on hotels and tourism still had their own identity and believed they would be better protected if they were part of the programme on sectoral activities. They repeated their concern that the proposed decision was part of a conscious process where sectoral activities were being diminished and transferred into other programmes, and that the character of these activities was being changed. They needed reassurance that this was not the intention, either now or in the future.

614. The hotels and tourism sector was currently shown at the end of programme 65.2, and was given the same status as the other proposals in the sections on Entrepreneurship and management development, Improving managerial capacities, Entrepreneurship and small enterprise development, and the Informal sector. This, in the opinion of the Worker members, was totally wrong. One possible solution, and it would be the minimum the Workers could accept, would be to elevate the status of hotels and tourism to that of a full programme, numbered 65.3, and change Cooperatives to programme 65.4. In this

way the hotels and tourism sector would be placed in the programme between enterprise and cooperative activities and thus clearly separated from the others in major programme 65.

615. The Director-General assured Mr. Tapiola that he would respect the decision to allocate an equivalent amount of funds to sectoral activities as in the past. He accepted the proposal to provide for a programme 65.3 (Hotels and tourism) in major programme 65 for the next biennium, specifying that he could not make a longer term commitment as this programme would have to have extra-budgetary financing. The programme on Cooperatives would thus become programme 65.4.

616. Miss Mackie, speaking on behalf of the Employer members, supported the Worker members' proposal to identify the programme separately and the Director-General's response to it.

617. Mr. Tapiola said the Worker members had noted the observations made by the Director-General and would reflect upon them. The solution on where activities on hotels and tourism were placed in the programme and budget was by no means ideal and the Workers would keep this matter under review during the course of the next two years.

618. In the light of the views expressed by all members of the Committee, and subject to the reservations expressed, the Chairman took it that the draft programme and budget could now be recommended by the Committee to the Governing Body.

619. Subject to the positions taken, and to the reservations expressed during this discussion, ***the Committee —***

(a) proposes that the Governing Body recommend to the International Labour Conference at its 82nd Session (June 1995) a provisional programme level of $500,237,000, estimated at the 1994-95 budget exchange rate of 1.45 Swiss francs to the US dollar, the final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessment to be determined by the Conference;

(b) submits to the Governing Body for proposal to the Conference at the same session a resolution for the adoption of the programme and budget for the 65th financial period (1996-97) and for the allocation of expenses among member States in that period in the following terms:

> The General Conference of the International Labour Organization, in virtue of the Financial Regulations, passes for the 65th financial period, ending 31 December 1997, the budget of expenditure for the International Labour Organization amounting to $ ..... and the budget of income amounting to $ ....., which, at the budget rate of exchange of ..... Swiss francs to the US dollar, amounts to ..... Swiss francs, and resolves that the budget of income, denominated in Swiss francs, should be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

Geneva, 5 April 1995. *(Signed)* C. Wetz,
Reporter.

Point for decision: Paragraph 619.

Appendices

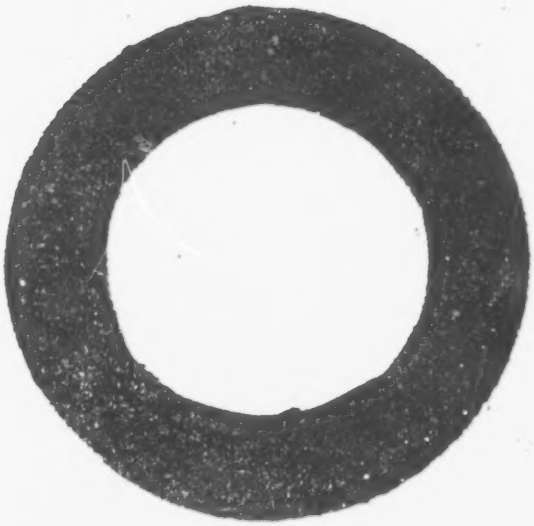
Appendix I: Director-General's statement introducing the Programme and Budget proposals for 1996-97.

Appendix II: Director-General's reply to the discussion in the Programme, Financial and Administrative Committee of the Programme and Budget proposals for 1996-97.

Appendix III: A. Adjustments to Part I of the Director-General's Programme and Budget proposals for 1996-97.

B. Provisional programme level resulting from the adjustments proposed by the Director-General.

Appendix IV: Proposed expenditure budget for 1996-97 by major programme.



Appendix I

Presentation of the Director-General's Programme and Budget proposals for 1996-97 to the Programme, Financial and Administrative Committee

Madam Chairman, members of the Programme, Financial and Administrative Committee of the Governing Body,

The Programme and Budget proposals for the 1996-97 biennium are the first to implement the overall orientations reflected in the various events organized to celebrate the 75th anniversary of the Organization. Their purpose is to enable the ILO to enter the twenty-first century and face all the demands being made of it.

What are these overall orientations?

Firstly, reinforcing the ILO's standard-setting work by adapting standards to the realities of today and making them more effective in practice. We need to speed up the process of updating and revising texts, to draft new Conventions in a way that encourages their ratification, to establish priorities, to devote more time, effort and resources to freedom of association and other such basic areas, and to venture off the beaten track in the quest for ways of improving the application of standards.

A similar effort of adaptation is needed in the area of technical cooperation, the aim of which must be to help our constituents to broaden and apply their policies and to enhance their ability to act on their own. This will involve, above all, the promotion of activities of high intellectual added value, in keeping with the values and the mandate of the ILO and in response to the needs of our constituents.

Finally, we want to renew and expand our Organization's role in international debates on economic policy. Although, according to the Declaration of Philadelphia, it is part of the ILO's responsibility to examine the social dimension of international economic and financial policies, so far little had been achieved in this area. And yet, as a global economy develops and countries become increasingly interdependent, it is becoming increasingly difficult for any country, however powerful, to remain in control of its own social and economic development. The freedom of movement of national governments and of the social partners is greatly restricted by the interplay of international economic forces which are not subject to their control.

Last June, we were all aware that the World Summit for Social Development in Copenhagen might be a unique opportunity to take a step in the direction envisaged by the Declaration of Philadelphia. The results of that Summit have not disappointed us. The texts adopted suggest, among other things, that the General Assembly should consider "requesting the International Labour Organization, which because of its mandate, tripartite structures and expertise has a special role to play in the field of employment and social development, to contribute to the implementation of the Programme of Action".

Similarly, the Declaration envisages "the possibility of holding joint meetings of the Council and the Development Committee of the World Bank and the International Monetary Fund. The Secretary-General and the Heads of the IMF, the World Bank and the ILO, the United Nations funds and programmes, and other relevant agencies should consider the possibility of holding joint meetings for the purpose of considering the implementation of the Declaration and the Programme of Action prior to the Development Committee sessions".

The Governing Body will be informed of the proposals aimed at implementing this aspect of the Copenhagen conclusions.

How are these strategies reflected in the programme and budget proposals which you have before you?

The first important aspect of these proposals is that they complement and deepen the major reforms achieved during the previous biennium, which complemented the introduction of the active partnership policy. I propose that this active partnership policy should be consolidated, to ensure that the Organization is totally at the service of its member States and its constituents.

The process of reform that we have undertaken will be complemented by the implementation, within the major technical programmes, of "action programmes". These programmes have been designed for implementation by several departments working in collaboration and with the aim of achieving clearly defined goals and results of direct use to the constituents at the end of the biennium. This concept of "action programme" is the fruit of our experience in implementing interdepartmental projects, an experience which has unquestionably been positive. The relevance of these action programmes is amply demonstrated by the type of problems which they will be tackling. As an example, I would mention the action programme on youth unemployment, the action programme which will address the phasing out of child labour, and the action programme on the reform and development of systems of social protection. All these action programmes have been proposed because the problems they address have been singled out by constituents in many member States as major problem areas which call for our Organization's help.

You will also remember that the active partnership policy, in addition to bringing the Organization and the constituents closer together, also aims to strengthen the unity of action within the Organization, especially with regard to activities at headquarters and those in the field. This requires specific machinery and the adoption of measures which encourage such collaboration. The new major programme 245 (Active partnership) will be responsible for precisely this important task.

The three major priority objectives remain the same. The promotion of democracy and human rights will be effected through the Organization's standard setting and its activities to promote tripartism. The fight against poverty and unemployment has been considerably reinforced, as we shall see later. The protection of working people remains a fundamental objective in all ILO activities. With these three major priorities, the most vulnerable groups, especially women, migrant workers and their families, working children and the handicapped, are at the centre of numerous activities within the overall framework of the major programmes, both at headquarters and in the field.

Nevertheless, these proposals do reflect a significant shift in emphasis. Here I am thinking of the high priority that has been given to the issue of employment, to reflect a major concern of all the ILO's constituents. One innovation which has resulted from this is the provision for an annual report on the world employment situation. This will lend the ILO a new authority in discussions of employment policy at the national and international level. Work will also be done to improve the ability of member States, working in close collaboration with the social partners, to formulate, implement and assess coherent employment strategies and policies which take account of the external factors associated with the globalization of the economy and the process of regional integration. Much importance will also be attached to the analysis of the employment consequences of market liberalization. Much attention will be paid, too, to human resources development policies aimed at promoting employment, as well as research work in the area of labour market policies. This will focus on information systems, the labour market, the impact of flexibility on the labour market and ways of designing coherent policies in these areas. Other activities will enhance the capacity of constituents to adopt policies and actions to deal with the problem of work-related migration.

I attach great importance to developing our dialogue with the Bretton Woods institutions, particularly on the question of structural adjustment. What I want is for our discussions with these organizations at the technical level to go further and lead to greater

collaboration in terms of activities undertaken in the member States. This important aspect of the Organization's external relations will receive greater attention and will become the responsibility of a senior member of the General Management.

The development of enterprises will also be given higher priority than in the past. The proposals which are being submitted to you tackle a number of the problems faced by enterprises, including those associated with privatization and restructuring. Enterprise promotion activities cannot be isolated from initiatives aimed at creating jobs and fighting unemployment.

What the Organization needs to do is to help member States create conditions which favour the development of enterprises and encourage job creation with the participation of employers' and workers' organizations, and with due respect for workers' rights. From the Organization's point of view, equal weight needs to be given to the quality and quantity of jobs created. The programme and budget proposals include an "Enterprise Forum" which will be a major event for the ILO. Activities on multinational enterprises included in these proposals have also been considerably expanded.

A wide range of activities included in the proposals are aimed at promoting equality of opportunity and treatment of women. We hope that this will enable the Organization to make a significant contribution to the implementation of the decisions which are sure to be taken at the Fourth World Conference on Women, which is due to take place in the autumn in Beijing. The proposals include a major programme on the improvement of the environment, and especially the working environment. This will be the ILO's contribution to the implementation of *Agenda 21* adopted by the United Nations Conference on the Environment and Development in Rio de Janeiro.

The programme and budget proposals also reflect the need to improve effectiveness in some areas. For example, major programme 40 (General Management) now describes the functions of the General Management Committee, which comprises the Director-General and the Deputy and Assistant Directors-General, each of whom is responsible for a very clearly defined area of ILO policy. Your Committee will recall that last year I appointed Mr. Jack Martin to take charge of the quality control of the services provided by the major technical departments. Mrs. Katherine Hagen is responsible for our relations with the United Nations system, especially the Bretton Woods institutions. I have already spoken of the importance of these issues. Mr. Hans Hammar coordinates the Organization's policy towards enterprises and monitors the promotion of activities of direct concern to them.

The proposals also contain a substantial improvement in sectoral activities under major programme 100, in the light of the findings of the Governing Body's Working Party on Sectoral Activities. Although the programme proposals are at the same level as for previous biennia, they comply with the Working Party's wish that the activities should focus on concrete problems in specific sectors and that they should produce results that can actually be implemented at the national or regional level.

My decision to maintain a course of zero growth is in response to the wish expressed by a large majority of the Government members of the Governing Body. Zero growth means that the proposals do not involve any programme growth in real terms. They do, however, include a provision to meet the cost increases that will inevitably occur during the coming biennium and to give effect to the decisions of the United Nations General Assembly and the International Civil Service Commission the cost of which was not included in the Programme and Budget for 1994-95. The cost increases in Switzerland are based on the assumptions reached by common agreement by the United Nations agencies based in Geneva. The main categories of expenditure have been carefully analysed in as objective a manner as possible so as to determine the cost increases to be covered. Thus, they assume a general inflation rate in Geneva of 3 per cent per annum from now until 1997. The total increase in costs in these proposals amounts to

$33.7 million, i.e. an increase of 7.23 per cent on the estimated expenditure for 1996-97. This provision for the coming biennium is $6.8 million less than that applied for the 1994-95 biennium.

The cost estimates given in these proposals have been prepared in accordance with the practice of using the same exchange rate as that used for the Programme and Budget for 1994-95, i.e. 1.45 Swiss francs for 1 US dollar. The total budget will depend on the exchange rate of the Swiss franc to the dollar that is applicable next June during the Conference. The value of the dollar on the exchange market has dropped significantly during the current biennium, with the dollar now at around 1.17 Swiss francs. It will be for the Finance Committee of Government Representatives at the Conference to fix the exchange rate for the budget on the basis of the market rate prevailing at the time it considers the proposals. The proposals for 1996-97 will then be recalculated at that exchange rate. I would reiterate that if the exchange rate of the present biennium, i.e. 1.45 Swiss francs to 1 US dollar, were to prevail, the nominal increase in the programme and budget in US dollars and Swiss francs would be 7.23 per cent.

At 1.17 Swiss francs to the dollar, the proposals that have been submitted to you, including the provision to meet the increase in costs, would imply assessments on member States of 680 million Swiss francs. In Swiss franc terms the increase in assessments over 1994-95 would be less than 1 per cent. At the same exchange rate the proposals would amount to $581.2 million, an increase of 24.5 per cent. The higher dollar figure is due essentially to the decline in the value of the dollar, which stood at 1.45 Swiss francs in June 1993. These figures are strictly indicative, as much will depend on the exchange rate prevailing in June this year. For example, if the exchange rate were 1.30 Swiss francs to the dollar, the proposals would amount to 701.1 million Swiss francs, an increase of 3.7 per cent in Swiss franc terms. In dollar terms, this would represent $539.3 million, or an increase of 15.3 per cent. In other words, the final amount of the programme and budget proposals will depend on factors over which we have no control.

Still on the subject of resources, it must be borne in mind that the substantial reduction in extra-budgetary funds made available to the ILO by the United Nations Development Programme, owing to the fact that programmes and projects are executed more and more often directly by the beneficiary countries themselves, also has the effect of reducing the Office's resources.

These resources are being cut at a time when the number of member States is still growing and when requests for ILO assistance are also rising significantly. To cope with this situation the Office is on a constant lookout for ways of economizing, raising productivity and improving efficiency, very often by resorting to new technology. This has meant, inter alia, the steady introduction of modern computer techniques and an appropriate organization of work, but it is above all thanks to the competence and devotion of its staff that the Office is able to fulfil its mission.

While I am on this subject I should like to say a few words about the development of human resources at the ILO. The interfacing of the work of the Office and the capacity and performance of its staff is a dynamic process that demands constant attention. I am aware — and I know that many of you share this viewpoint — that the question of human resources cannot be divorced from the Organization's objectives and strategic plans or from the management of ongoing activities. We need to think in dynamic terms of our human resource needs as we map out our plans. This means that our strategies for recruitment, training and retraining, mobility and improved working relations, as well as improved working methods, must be reappraised on a continual basis. The elements in the programme and budget that deal with increased responsibilities for line management, enhanced management skills, upgrading of technical expertise and better articulation of the Office's structures and action programmes with its staffing needs reflect my deep

concern to deal seriously with the issues of human resource development and organizational effectiveness in the Office.

These constraints in no way undermine my conviction that the proposals before you are capable of providing the services that our constituents expect from our Organization and its secretariat. This conviction is borne out by the realization that the reforms adopted by the Governing Body in recent years and which are now being consolidated, as well as the innovations that have been introduced, have helped to make the ILO more relevant and more respected. But I would not like to end my statement without voicing my anxiety for the future. There is a limit to how much one can increase productivity, just as there is a limit to the ability of the Governing Body to reach a consensus on the formulation and implementation of a new set of major savings. We shall therefore need to use all our powers of imagination, as regards resources, to ensure that the potential of the new paths that we have chosen is fully realized.

Appendix II

Reply of the Director-General to the discussion of the Programme and Budget proposals for 1996-97

Sometimes we have the impression that history stutters. That is the feeling I have today. Two years ago, in closing the general discussion on the budget for 1994-95, I indicated that my proposals had received very wide support from the Government representatives, critical approval from the Workers and a negative response from the Employers' group. I used roughly the same words a year ago during the preliminary discussions. And now it is along the same lines that I am tempted to summarize the discussions which took place last week — albeit with a few subtle differences.

I note first of all that the major budgetary choices which have been put before you have been very widely accepted. I think everyone sees that it is now hardly possible to change the broad lines of the budget and that only marginal changes are still feasible. Quite logically, then, the numerous suggestions and criticisms that we have heard have focused less on the budgetary amounts and on their allocation than on the substance and the orientations of each major programme, correcting something here, improving something else there, adding to one programme, taking away from another. All the programme directors, I can assure you, have taken your comments to heart and will certainly make sure that they are taken into account in the implementation of the activities concerned. I will come back to this in a few moments.

It is much more difficult for me in my reply to deal with comments which call neither for any change in budgetary allocations nor for the adjustment of any particular programme, but which imply a general criticism of the policy pursued by the Office. What can I say when the Employers speak not only of the absence of progress but even of the Office's backtracking on objectives which they regard as crucial? I think we must be cautious when we talk about backtracking. Every one of you must have experienced, when travelling by train, the strange sensation of not being able to make out whether it is the train that you are sitting in that is actually moving or if it is the train which is standing at the next platform. In this particular case, I do not know who is moving or who has moved, or in what direction the movement has taken place.

The Employers have expressed their concern at the proliferation of references to guidelines or codes of practice in the draft budget. Out of curiosity I have compared the present proposals with the document which set out the budget for 1994-95, and I think you will find in each of these documents roughly the same number of expressions that have been criticized this time. These references are really just one of the Office's funny ways, or bad habits. Perhaps we should try and mend our ways, but I do not see why such old and harmless quirks of style should suddenly have become the sign of a fuzzy obsession with regulations that do not go through the tripartite procedure.

I could have made the same comparison with regard to the NGOs. How is it that the NGOs, which used to be valued associates of the social partners, have all of a sudden turned into such formidable competitors that we hear talk of a dangerous political drift? I would on this point like to thank Mr. Willers for his explanation of the situation, which corresponds completely with my own point of view. Perhaps one day I might include his statement almost word for word in a circular so as to avoid any further confusion about NGOs.

I do not want to comment on all the statements made by the Employers item by item. I would just like to confine myself to one last point. Why, just when a very clear — though possibly still insufficient — effort has been made to make the budgetary proposals more readable, as many speakers have observed, why is it being said that the budgetary proposals are becoming more and more abstract and general, the budget less

readable and the influence of the Governing Body on its final form doubtful? I really do not see what is behind such statements, unless they are just so many signs of the same persistent mistrust. If that is the case, I shall simply have to put up with it as there is not much I can do about it.

Having said that, I would like to thank all those who have expressed their approval both of the broad lines of the budget and of the innovations it contains, which are designed to complement the changes that have been undertaken during the current biennium. Of course, the programmes of action still have to get into their stride, but the general response is positive and your comments will help us to improve them quickly.

The adjustments to the programme and budget proposals that I am suggesting obviously aim at bringing the original proposals into line with the views expressed during the discussion in this Committee. The document reproducing these adjustments will be distributed to you after I have finished speaking.

The financial constraints which we have imposed upon ourselves do not allow us to respond to all the requests for increases, which are much more numerous than the proposals for cuts, but the fact that a certain number of requests for an increase in appropriations have not resulted in an adjustment of resources does not mean that they should not be taken into account.

In many cases, priorities which you have recommended will guide the use of existing resources. But before I go into the details of the adjustments, please allow me to make a few general comments.

Many speakers have referred to the follow-up to the World Summit for Social Development in Copenhagen. The discussions on this point will continue next week in the Governing Body, largely at the request of the Employers' group in connection with the report *World Employment 1995*. At the outset, it appears to be quite clear that in the future, throughout all the Office's programmes, we shall have to establish a satisfactory, but difficult, balance between two types of tasks: those that are aimed at increasing the authority and the visibility of our Organization in the international arena, in the eyes of public opinion, in the major international fora and vis-à-vis the other international organizations, on the one hand; and the practical activities which are aimed at helping our constituents, on the other hand.

According to a well-known formula that we have used elsewhere and has now become famous in this house, each of these tasks will help to create an enabling environment for the others.

My proposals for 1996-97 envisage an amount of $3,669,00 for the preparation of two reports on employment in the world. Here I would like to indicate to those who were concerned about the high level of resources necessary for preparing such a report that this amount is significantly lower than the budget provided for by the World Bank or the UNDP for comparable reports. As I have said, I propose to maintain the present amount, on the understanding that it will be used to prepare at least one world report on employment. The rest of the resources could be used for other activities once all the post-Copenhagen follow-up arrangements have been decided on, by your Governing Body as well as by the United Nations.

One of the major conclusions of Copenhagen concerns the commitment of States to protect and promote the observance of the basic rights of workers. This session of the Governing Body will have to consider how the Organization can contribute to the implementation of these provisions.

Many speakers during the discussion emphasized the importance that should be accorded to these questions. In order to respond to this concern, we will make sure that the promotional activities of major programme 50 (International labour standards and human rights), as well as other programmes in this area, will be reorganized so that the various resources available at headquarters and in the regions are mobilized for a

campaign aimed at bringing about significant progress in the protection of workers' basic rights; this would be in the form of ratification on the relevant instruments, the adoption of appropriate legislation and effective measures to eliminate forced labour and child labour, respect for freedom of association and collective bargaining, equality of treatment and the abolition of all forms of discrimination.

All the groups in this Committee have emphasized the importance of our work in the field of freedom of association. I would like to propose that we add 12 work-months, i.e. $139,176, to this programme, which has already benefited in my proposals from an increase of $390,000 compared to the present biennium.

With regard to the publication entitled *Labour Law Document*, I would like to indicate to all those who are not E-mail addicts that they will continue to receive the NATLEX bulletin of new legislation. They can also request the complete text of legislation which is of interest to them.

Few programmes attracted as many calls for additional resources as the programme aimed at the promotion of equality of treatment for women.

I would like to confirm the reply given by Mrs. Chinery-Hesse on this point by reminding you that specific activities for the promotion of equality of women can be found in all the major technical programmes and all the major regional programmes.

This is the case for the departments of standards, employment, enterprise, training, industrial relations and working conditions. I would also like to remind you that two programmes of action are aimed at the same objective. The Office has decided to integrate the promotion of equality of treatment in *all* its activities. It would therefore be quite wrong to suggest that the only resources for the promotion of equality of treatment are those which appear under programme 140.

I propose, nevertheless, that we add $100,000 to this programme in order to undertake specific activities that contribute to the follow-up to the World Conference on Women, which will be held in Beijing a little later this year.

I realize full well that all the regions would have wished to have had their resources increased, and I regret that financial restraints do not allow us to do so. I would like to make two comments, however, in this regard.

The first concerns the trend in the share of total resources directly allocated to the regions. In two biennia, i.e. from 1992-93 to 1996-97, the total percentage of the ordinary budget allocations and the programme support income (PSI) for the regions went up from 14 per cent to 19 per cent. This is an increase whose importance cannot be underestimated, particularly because to this quantitative consideration we can add another which is far more important. I am referring to the reforms introduced at the beginning of this biennium, and in particular the active partnership policy, which ensure that a much greater number of the Organization's activities, including those at headquarters, focus directly on the problems of our constituents in the member States. We have introduced two changes which mean that the resources earmarked for headquarters are employed more and more extensively and more and more directly in the service of constituents in the member States of the various regions. The first of these changes was the considerable increase in 1994-95 in appropriations for technical advisory services for the departments at headquarters.

The second derives from the "demand-driven" nature of the proposals that have been submitted to you for 1996-97, which several speakers have drawn attention to. The launching of programmes of actions is an illustration of this. I think, moreover, that this is the crux of the reorientation of our activities and that, by no longer setting activities in the regions against activities at headquarters, we are advancing towards a situation where all our activities will be concentrated on the services we can render our constituents — whether the activities be undertaken at headquarters or in the field.

Having said that, I recognize that two anomalies in the proposals for the regions — which you have not failed to point out — must be corrected.

The first concerns the member States which recently joined the Asia and Pacific Region without this being taken into account in the allocation of resources to provide them with the services that they are entitled to expect from the Organization. To remedy this situation, I propose to increase the resources of major programme 270 by 24 work-months, plus $70,000 under other expenditure, i.e. a total of $348,352 for technical advisory services. The second — and similar — anomaly concerns the Trans-Caucasian and the Central Asia member States. The adjustments include 12 work-months and $36,000, i.e. a total of $175,176 supplementary dollars allocated to major programme 280.

The reduction in extra-budgetary resources envisaged for 1996-97 has worried many members of your Committee, and it is not the first time that this topic has been raised. Contrary to what has been suggested, the phenomenon does not have only negative implications. In fact, the reduction in UNDP extra-budgetary resources put at the disposal of the ILO — and, indeed, of the other specialized United Nations institutions — is mainly due to the direct implementation of technical cooperation projects by the beneficiary member States themselves, without our intervention. And I would like to remind you that this national implementation was the clear expression of the will of the developing countries and of the industrialized countries, the latter considering that national implementation would encourage countries to take their own responsibilities and develop their national capability. At the same time, the role and the responsibilities of the ILO have been radically transformed, with the focus on up-stream work: analysis, diagnosis, policy design, definition of priorities by the beneficiaries themselves, formulation of strategies and programmes, and the drawing up of projects for submission to funding agencies whose execution is not necessarily entrusted to the ILO. They might instead be earmarked for national implementation, in which the Organization could be associated in various ways without taking over the management and administration of the whole project.

This is not the only scenario, and naturally the Office will continue to be involved in technical cooperation activities financed through extra-budgetary resources each and every time our constituents in the member States prefer that the management of these activities be entrusted to us.

At the same time, far from declining, the need for technical cooperation is steadily increasing, even though the nature of that need has changed radically. This is one of the important responsibilities entrusted to the Office by the Governing Body in their review of our technical cooperation strategy. I have asked Mrs. Chinery-Hesse, who is responsible for this sector, to prepare a strategy document on the mobilization of resources for technical cooperation activities to help our constituents to create an environment conducive to speeding up their development, and especially their social development. This document will be discussed in the General Management Committee in the coming weeks, and the Governing Body will of course be informed of the outcome of our discussions.

I cannot ignore the fact that paragraph 73 of the Introduction, which envisaged the possibility of making major savings in interpretation services and suggested that the matter be looked into, has been unanimously rejected by the Government group, which has asked that the paragraph be withdrawn. Perhaps, more than others, I have good reason to know that anything that concerns the use of languages is extremely sensitive. Budgetary constraints and our concern that the resources of the Organization be devoted entirely to pursuing its objectives, as well as the large amounts at stake, obliged me to draw your attention to this question, even though I had no illusions as to the reaction to

be expected. The paragraph in question will therefore not be included in the programme and budget that will be published once it has been adopted.

Now I would like to talk about some other adjustments.

Under major programme 60 I propose that we add one day to the Tripartite Meeting of Experts on ILO Activities in the Field of Migration (five days instead of four), in other words $10,000. This is to establish more clearly the ILO's objectives in this field in the light of the 1992 Conference resolution on migration.

I propose to add to the resources of major programme 65 (Enterprise and cooperative development) the amount of $100,000 for the holding of an enterprise forum, which will cover interpretation costs and the production of documents. Naturally, the participants will be selected in consultation with the Employers' and Workers' groups of the Governing Body, on the understanding that the forum will be one that includes enterprises, and not one about enterprises conducted with external experts.

I also propose to postpone to the following biennium the Tripartite Meeting on Enterprise Restructuring and Privatization of Undertakings, so that this major programme can be devoted entirely to the programme of action and to gathering all the necessary material for a useful tripartite meeting on this topic. This means a reduction in expenditure of $100,400.

Many queries have been raised during the discussion on major programme 80 (Industrial relations and labour administration) as regards the proposal to organize an international symposium on minimum wage fixing. I continue to think that this is an interesting topic. However, in the light of the comments that have been made and the express desire to reduce the number of meetings, I propose to cancel this symposium, which means a cut of $220,588.

As regards major programme 85 (Multinational enterprises and social policy) members of the Committee from every one of the groups have indicated that the level of resources proposed is not compatible with the responsibilities entrusted to this programme. I agree with them and I propose to add 24 work-months of Professional category staff, i.e. $278,352.

As to major programme 90 (Working conditions and environment) my original proposals included the organization of three major meetings; a meeting of experts on workers' health surveillance, a meeting of experts on ambient factors at the workplace and an international symposium on preventing sexual harassment at work. Although there is no question about its interest, and with the sole purpose of alleviating a very heavy programme of meetings, I propose that we postpone the meeting of experts on ambient factors at the workplace to the next biennium. The corresponding reduction in expenditure amounts to $122,200.

So as to comply with the constraints of zero growth, I propose to reduce the resources allocated to major programme 145 (Programme Flexibility Reserve) to $1 million, i.e. to decrease the level of the Flexibility Reserve by $180,490.

As regards major programme 180 (Editorial and document services) the Programme and Budget proposals envisaged that the *World Labour Report* should appear once a year. I propose now that this publication, which presents facts, trends and indicators concerning the main aspects of labour, be published in future only once per biennium. The resulting saving amounts to $380,723.

The adjustments to major programmes mentioned so far, including the dropping of three meetings, entail a consequent reduction in major programme 220 (Relations and meetings) of $137,000 in the cost of interpretation and translation services.

Several members of the Committee have expressed their concern about the current disorder on the exchange markets. This calls for two comments. First, I think it is important to remind you that, for its part, the Office has complied with the zero-growth commitment placed on it; in other words, it has maintained the budget within the strict

limits of zero growth. My second comment is that the trend of the financial markets at the moment seems too unpredictable for us to settle on any significant position on the subject today.

To conclude, allow me to thank your Committee once again for the generally favourable response that it has given to my proposals and for the entire debate. I hope that my reply and the various adjustments I have proposed will also meet with your approval.

Geneva, 30 March 1995.

Appendix III

A. Adjustments to Part I of the Director-General's Programme and Budget proposals for 1996-97

(The US dollar amounts for proposed reductions are shown in brackets)

Prog. No.	Para. No. in the proposals	Activity	P w/mths	GS w/mths	Non-staff costs	Total
		International labour standards and human rights				
50.3	New	Add 1/00 P work-year for freedom of association	12	–	–	139 176
		Employment				
60.4	60.52	Add one day to the duration of the Tripartite Meeting of Experts on Future ILO Activities in the Field of Migration (5 days instead of 4). Includes provision for additional interpretation	–	–	15 000	15 000
		Enterprise and cooperative development				
65.1	65.5	Add provision for the costs of preparing and implementing the Enterprise Forum	–	–	100 000	100 000
65.2	65.9	Postpone proposed tripartite meeting on enterprise restructuring and privatization	–	–	(111 400)	(111 400)
		Industrial relations and labour administration				
80.2	80.27	Delete proposed international symposium on minimum wage fixing	(6)	–	(151 000)	(220 588)
		Multinational enterprises and social policy				
85	85.3	Add one Professional post (2/00 P work-years)	24	–	–	278 352
		Working conditions and environment				
90.2	90.34	Postpone proposed Meeting of Experts on Ambient Factors at the Workplace	–	–	(122 200)	(122 200)
		Equality for women				
140	140.3-4	Add short-term credits to ensure adequate follow-up on the Beijing Conference	–	–	100 000	100 000
		Programme Flexibility Reserve				
145	145.1-3	Reduce level of the Reserve to $1.0 million	–	–	(186 490)	(186 490)
		Editorial and document services				
180.3	180.13	Reduce resources for the periodical *World Labour Report*, assuming only one issue per biennium	(24)	–	(102 371)	(380 723)

Prog. No.	Para. No. in the proposals	Activity	P w/mths	GS w/mths	Non staff costs	Total
		Relations and meetings				
220.2 and .3	220.6 and 220.8	Reduce provision for interpretation services because of postponed and cancelled meetings and reduce translation costs for *World Labour Report*	–	–	(137 000)	(137 000)
		Field programmes in Asia and the Pacific				
270.2	270.40	Add ILO technical support to member States which have recently joined the Asian region	24	–	70 000	348 352
		Field programmes in Europe				
280.2	New	Add ILO technical support to Central Asian and Transcaucasian member States	12	–	36 000	175 176
		Net change in the overall level of Part I of the budget for the biennium 1996-97				(2 345)

B. Provisional programme level resulting from the adjustments proposed by the Director-General

			1996-97 provisional level $
PART I	ORDINARY BUDGET		
	Initial proposals in constant dollars (at Sw.frs.1.45 to US$1)		465 635 000
	Net programme adjustments as per Appendix I		(2 345)
			465 632 655
	Initial cost increases	33 730 000	
	Adjustments due to programme changes	(655)	33 729 345
	NET PART I		499 362 000
PART II	UNFORESEEN EXPENDITURE		875 000
PART III	WORKING CAPITAL FUND		—
1996-97 PROVISIONAL PROGRAMME LEVEL			500 237 000

COMPARISON WITH 1994-95 PROGRAMME AND BUDGET

		1994-95 Budget $	1996-97 Provisional level $	Increase (decrease) compared with 1994-95 $
PART I	Programmes of activity	465 635 000	465 632 655	(2 345)
	Cost increases		33 729 345	33 729 345
PART II	Unforeseen expenditure	875 000	875 000	—
PART III	Working Capital Fund	—	—	—
	TOTAL BUDGET	466 510 000	500 237 000	33 727 000

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Appendix IV

PROPOSED EXPENDITURE BUDGET FOR 1996-97 BY MAJOR PROGRAMME
(IN US DOLLARS)

CHAPTER	ITEM	TITLE	1994-95 BUDGET	1996-97 ESTIMATES (IN CONSTANT 1994-95 DOLLARS)	1996-97 ESTIMATES (RECOSTED)
		PART I. ORDINARY BUDGET			
A		POLICY MAKING ORGANS:			
	10	INTERNATIONAL LABOUR CONFERENCE	12 664 992	11 855 404	12 764 370
	20	GOVERNING BODY	3 367 153	3 277 153	3 213 378
	30	MAJOR REGIONAL MEETINGS	2 059 163	2 634 176	2 869 475
		TOTAL	18 091 308	16 766 733	17 867 223
B		GENERAL MANAGEMENT:			
	40	GENERAL MANAGEMENT	8 031 252	7 474 252	8 036 337
C		TECHNICAL PROGRAMMES:			
	50	INTERNATIONAL LABOUR STANDARDS AND HUMAN RIGHTS	18 568 546	19 190 369	20 337 729
	60	EMPLOYMENT	13 597 447	13 948 497	14 186 462
	65	ENTERPRISE AND COOPERATIVE DEVELOPMENT	8 574 452	9 383 031	10 402 773
	70	TRAINING	9 109 864	9 340 064	9 900 468
	75	TURIN CENTRE	6 687 000	6 687 000	7 088 220
	80	INDUSTRIAL RELATIONS AND LABOUR ADMINISTRATION	9 430 000	10 340 558	11 006 617
	85	MULTINATIONAL ENTERPRISES AND SOCIAL POLICY	5 400 000	5 400 000	5 724 000
	90	WORKING CONDITIONS AND ENVIRONMENT	15 368 615	14 413 544	15 544 474
	100	SECTORAL ACTIVITIES	17 068 789	16 018 389	16 966 539
	110	SOCIAL SECURITY	6 000 000	6 688 694	7 089 016
	115	INTERNATIONAL SOCIAL SECURITY ASSOCIATION	591 506	591 506	626 996
	120	STATISTICS	7 078 460	7 067 897	7 586 860
	125	DEVELOPMENT AND TECHNICAL COOPERATION	7 316 449	6 940 332	7 356 752
	130	INTERNATIONAL INSTITUTE FOR LABOUR STUDIES	4 684 300	4 774 300	5 060 758
	140	EQUALITY FOR WOMEN	601 691	701 691	743 793
	145	PROGRAMME FLEXIBILITY RESERVE	9 032 529	1 000 000	1 060 216
		TOTAL	125 673 452	125 842 815	134 421 546
D		SERVICE AND SUPPORT ACTIVITIES:			
	160	PERSONNEL	14 626 825	14 626 825	15 746 377
	170	FINANCIAL SERVICES	11 941 067	11 838 067	12 800 345
	175	INTERNAL ADMINISTRATION	36 371 621	36 029 593	38 096 540
	180	EDITORIAL AND DOCUMENT SERVICES	34 371 621	34 029 038	36 369 435
	185	COMPUTER SERVICES	14 926 378	14 766 168	15 962 820
	190	LIBRARY AND DOCUMENTATION	5 390 158	5 390 158	5 992 961
	200	PROGRAMMING AND MANAGEMENT	5 153 716	5 124 646	5 441 142
	210	LEGAL SERVICES	2 486 500	2 586 500	2 752 344
		TOTAL	124 243 794	122 825 362	132 894 387
E		RELATIONS:			
	220	RELATIONS AND MEETINGS	26 404 460	24 989 419	26 536 131
	225	EMPLOYERS' ACTIVITIES	4 871 075	4 862 325	5 250 730
	230	WORKERS' ACTIVITIES	13 677 684	13 738 096	14 804 240
	235	PUBLIC INFORMATION	4 946 250	4 831 090	5 178 693
	240	INTERNATIONAL RELATIONS	3 690 414	3 690 414	3 951 880
		TOTAL	53 539 883	52 131 344	55 721 674
F		REGIONAL SERVICES:			
	245	ACTIVE PARTNERSHIP	557 540	3 175 862	3 388 542
	250	FIELD PROGRAMMES IN AFRICA	36 810 215	37 285 233	38 633 556
	260	FIELD PROGRAMMES IN THE AMERICAS	32 816 918	32 177 810	35 046 906
	265	FIELD PROGRAMMES IN ARAB STATES	6 936 570	6 936 570	7 560 106
	270	FIELD PROGRAMMES IN ASIA AND THE PACIFIC	32 943 176	33 404 896	36 506 676
	280	FIELD PROGRAMMES IN EUROPE	10 420 742	10 942 478	11 600 880
		TOTAL	120 485 161	123 922 849	132 736 666
G		OTHER BUDGETARY PROVISIONS:			
	290	OTHER BUDGETARY PROVISIONS	20 389 682	20 488 832	21 756 766
		SUB TOTAL	469 454 532	469 452 187	503 434 599
		ADJUSTMENT FOR STAFF TURNOVER	(3 819 532)	(3 819 532)	(4 072 599)
		TOTAL OF PART I	465 635 000	465 632 655	499 362 000
		PART II. UNFORESEEN EXPENDITURE			
	295	UNFORESEEN EXPENDITURE	875 000	875 000	875 000
		PART III. WORKING CAPITAL FUND			
	296	WORKING CAPITAL FUND	-	-	-
		TOTAL (PARTS I-III)	466 510 000	466 507 655	500 237 000

Annex 2

Fourth report of the Programme, Financial and Administrative Committee of the Governing Body at its 262nd Session (March-April 1995)

INTERNATIONAL LABOUR OFFICE

GB.262/8/4
262nd Session

Governing Body

Geneva, March-April 1995

EIGHTH ITEM ON THE AGENDA

Reports of the Programme, Financial and Administrative Committee

Fourth report: Report of the Government members of the Committee on allocations questions

1. The Government members of the Programme, Financial and Administrative Committee of the Governing Body met on 27 March 1995 under the chairmanship of Ms. M. Hartwell, Coordinator of the Government group, who acted as Reporter.

Scales of assessment of contributions to the budget for the 1996-97 financial period

2. The Government members considered a paper[1] recommending draft scales of assessment for the years 1996 and 1997. A separate scale was proposed for each year in order to harmonize with the different scales proposed for those years by the General Assembly of the United Nations with the aim of introducing in a phased manner significant changes in the United Nations scale for certain member States.

3. The representative of the Government of the Islamic Republic of Iran considered that the assessed contributions of his country had for several years been high as a result of the unrealistic rates adopted by the United Nations. Now the scale had been revised, and he wondered whether the revision could influence the contributions assessed for 1995 or imply compensation in 1996.

4. The representative of the Government of Cuba stated that her country was in a similar position, and requested the same information.

5. The representative of the Government of Japan observed that the scales for both 1996 and 1997 showed a considerable increase in the assessment for his country of some 3 per cent, which could result in some delays in payment. While

[1] GB.262/PFA/GMA/1.

he did not oppose the scale, he emphasized that Japan stood ready to contribute further to the work of the ILO by providing additional staff.

6. The representative of the Government of Spain observed that the current international financial situation was characterized by widely fluctuating exchange rates, which together with the fact that assessments were now paid in Swiss francs would compound the increases in assessed contributions. His Government would do all it could to make its payments on time, but it should be realized that the present system created real differences in the actual levels of different countries' contributions in terms of their own currencies.

7. The representative of the Government of Ukraine recalled that his Government had for several years now emphasized that its assessed contributions did not correspond to the country's true economic capacity and that the manner of calculating them was not entirely in accordance with the established rules. While he welcomed the adjustment that had been made, Ukraine remained one of the ILO's bigger contributors, and trusted that this would be borne in mind in all questions concerning cooperation between the ILO and Ukraine.

8. The representative of the Government of Italy commented that current media coverage of the economic situation in Italy was not reflected in the scale of assessed contributions.

9. The representative of the Director-General (the Treasurer and Financial Comptroller) stated in reply that the scale for 1995 had already been established by the Conference in June 1994 on the basis of the information available at the time. If one member State's assessment was decreased after the Conference had approved the scale, then other member States' assessments would have to increase to compensate, and their adverse reaction to any retroactive revision could be predicted. Only the Conference had the power to revise the 1995 scale, but it was unlikely that it would agree to any retroactive revision which would affect the rights and obligations of member States.

10. The representative of the Government of the Islamic Republic of Iran appreciated the difficulties arising from the fact that the Conference had decided in June 1994 on the 1995 assessments, while the United Nations had taken its decision on scales for the following three years in December 1994. In future more prior consultation might be advisable to harmonize the scales more closely.

11. The representative of the Director-General (the Treasurer and Financial Comptroller) stated in reply that the United Nations Committee on Contributions usually completed its work around July or August, but it would be dangerous to assume that the General Assembly would adopt its proposals, which in any case would first have to pass through the Fifth Committee. The present situation was a case in point, the Fifth Committee having departed from the recommendations of the Committee on Contributions. To anticipate the General Assembly's decision could well create more problems than it would solve.

12. ***The Government members recommend to the Governing Body that, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, it propose to the Conference the adoption of the draft scales of assessment for 1996 and 1997 as set out in column 4 of Appendices A and B respectively to this paper, subject to such adjustments as might be***

necessary following any further change in the membership of the Organization before the Conference is called upon to adopt the recommended scale.

Procedure for the possible continuation of the work of the Government members of the Programme, Financial and Administrative Committee in relation to allocations matters during the Conference

13. The Government members considered a paper[2] describing the procedure to be followed if the Government members of the Committee were required to meet during the 82nd (1995) Session of the Conference.

14. ***The Government members recommend to the Governing Body that they be authorized to continue their work, if necessary, after the Governing Body has concluded its work at the present (262nd) Session and to submit their report direct to the Finance Committee of Government representatives at the Conference.***

Geneva, 3 April 1995.

Points for decision: Paragraph 12;
Paragraph 14.

[2] GB.262/PFA/GMA/2.

APPENDIX A – 1996

Scales of Assessment

	State (French alphabetical order)	UN assessments 1993 & 1994	ILO assessments 1995	UN assessments 1996	Draft scale of ILO assessments 1996	Increase or decrease (difference between Cols. 2 & 4)
		Col. 1 %	Col. 2 %	Col. 3 %	Col. 4 %	Col. 5 %
1	Afghanistan	0.01	0.01	0.0100	0.0100	–
2	South Africa	0.41	0.40	0.3225	0.3181	(0.0819)
3	Albania	0.01	0.01	0.0100	0.0100	–
4	Algeria	0.16	0.16	0.1600	0.1578	(0.0022)
5	Germany	8.93	8.81	9.0425	8.9199	0.1099
6	Angola	0.01	0.01	0.0100	0.0100	–
7	Antigua and Barbuda	0.01	0.01	0.0100	0.0100	–
8	Saudi Arabia	0.96	0.95	0.7200	0.7102	(0.2398)
9	Argentina	0.57	0.56	0.4800	0.4735	(0.0865)
10	Armenia	0.13	0.13	0.0550	0.0543	(0.0757)
11	Australia	1.51	1.49	1.4800	1.4599	(0.0301)
12	Austria	0.75	0.74	0.8650	0.8533	0.1133
13	Azerbaijan	0.22	0.22	0.1175	0.1159	(0.1041)
14	Bahamas	0.02	0.02	0.0200	0.0197	(0.0003)
15	Bahrain	0.03	0.03	0.0200	0.0197	(0.0103)
16	Bangladesh	0.01	0.01	0.0100	0.0100	–
17	Barbados	0.01	0.01	0.0100	0.0100	–
18	Belarus	0.48	0.47	0.2925	0.2885	(0.1815)
19	Belgium	1.06	1.04	1.0075	0.9938	(0.0462)
20	Belize	0.01	0.01	0.0100	0.0100	–
21	Benin	0.01	0.01	0.0100	0.0100	–
22	Bolivia	0.01	0.01	0.0100	0.0100	–
23	Bosnia and Herzegovina	0.04	0.04	0.0125	0.0123	(0.0277)
24	Botswana	0.01	0.01	0.0100	0.0100	–
25	Brazil	1.59	1.57	1.6200	1.5980	0.0280
26	Bulgaria	0.13	0.13	0.0825	0.0814	(0.0486)
27	Burkina Faso	0.01	0.01	0.0100	0.0100	–
28	Burundi	0.01	0.01	0.0100	0.0100	–
29	Cambodia	0.01	0.01	0.0100	0.0100	–
30	Cameroon	0.01	0.01	0.0100	0.0100	–
31	Canada	3.11	3.07	3.1025	3.0604	(0.0096)
32	Cape Verde	0.01	0.01	0.0100	0.0100	–
33	Central African Republic	0.01	0.01	0.0100	0.0100	–
34	Chile	0.08	0.08	0.0800	0.0789	(0.0011)
35	China	0.77	0.76	0.7350	0.7250	(0.0350)
36	Cyprus	0.02	0.02	0.0300	0.0296	0.0096
37	Colombia	0.13	0.13	0.1000	0.0986	(0.0314)
38	Comoros	0.01	0.01	0.0100	0.0100	–
39	Congo	0.01	0.01	0.0100	0.0100	–
40	Korea, Republic of	0.69	0.68	0.8175	0.8064	0.1264
41	Costa Rica	0.01	0.01	0.0100	0.0100	–
42	Côte d'Ivoire	0.02	0.02	0.0100	0.0100	(0.0100)
43	Croatia	0.13	0.13	0.0900	0.0888	(0.0412)
44	Cuba	0.09	0.09	0.0525	0.0518	(0.0382)
45	Denmark	0.65	0.64	0.7175	0.7078	0.0678
46	Djibouti	0.01	0.01	0.0100	0.0100	–
47	Dominican Republic	0.02	0.02	0.0100	0.0100	(0.0100)
48	Dominica	0.01	0.01	0.0100	0.0100	–
49	Egypt	0.07	0.07	0.0700	0.0691	(0.0009)
50	El Salvador	0.01	0.01	0.0100	0.0100	–
51	United Arab Emirates	0.21	0.21	0.1900	0.1874	(0.0226)
52	Ecuador	0.03	0.03	0.0200	0.0197	(0.0103)
53	Eritrea	0.01	0.01	0.0100	0.0100	–
54	Spain	1.98	1.95	2.3625	2.3305	0.3805
55	Estonia	0.07	0.07	0.0425	0.0419	(0.0281)
56	United States	25.00	25.00	25.0000	25.0000	–
57	Ethiopia	0.01	0.01	0.0100	0.0100	–
58	The former Yug. Rep. of Macedonia	0.02	0.02	0.0100	0.0100	(0.0100)
59	Fiji	0.01	0.01	0.0100	0.0100	–
60	Finland	0.57	0.56	0.6175	0.6091	0.0491
61	France	6.00	5.92	6.4075	6.3206	0.4006
62	Gabon	0.02	0.02	0.0100	0.0100	(0.0100)

APPENDIX A – 1996

Scales of Assessment

	State (French alphabetical order)	UN assessments 1993 & 1994	ILO assessments 1995	UN assessments 1996	Draft scale of ILO assessments 1996	Increase or decrease (difference between Cols. 2 & 4)
		Col. 1 %	Col. 2 %	Col. 3 %	Col. 4 %	Col. 5 %
63	Georgia	0.21	0.21	0.1175	0.1159	(0.0941)
64	Ghana	0.01	0.01	0.0100	0.0100	–
65	Greece	0.35	0.34	0.3800	0.3748	0.0348
66	Grenada	0.01	0.01	0.0100	0.0100	–
67	Guatemala	0.02	0.02	0.0200	0.0197	(0.0003)
68	Guinea	0.01	0.01	0.0100	0.0100	–
69	Guinea-Bissau	0.01	0.01	0.0100	0.0100	–
70	Equatorial Guinea	0.01	0.01	0.0100	0.0100	–
71	Guyana	0.01	0.01	0.0100	0.0100	–
72	Haiti	0.01	0.01	0.0100	0.0100	–
73	Honduras	0.01	0.01	0.0100	0.0100	–
74	Hungary	0.18	0.18	0.1400	0.1381	(0.0419)
75	Solomon Islands	0.01	0.01	0.0100	0.0100	–
76	India	0.36	0.35	0.3100	0.3058	(0.0442)
77	Indonesia	0.16	0.16	0.1400	0.1381	(0.0219)
78	Iran, Islamic Republic of	0.77	0.76	0.4675	0.4612	(0.2988)
79	Iraq	0.13	0.13	0.1400	0.1381	0.0081
80	Ireland	0.18	0.18	0.2100	0.2072	0.0272
81	Iceland	0.03	0.03	0.0300	0.0296	(0.0004)
82	Israel	0.23	0.23	0.2675	0.2639	0.0339
83	Italy	4.29	4.23	5.1975	5.1270	0.8970
84	Jamaica	0.01	0.01	0.0100	0.0100	–
85	Japan	12.45	12.28	15.4350	15.2256	2.9456
86	Jordan	0.01	0.01	0.0100	0.0100	–
87	Kazakhstan	0.35	0.34	0.2000	0.1973	(0.1427)
88	Kenya	0.01	0.01	0.0100	0.0100	–
89	Kyrgyzstan	0.06	0.06	0.0325	0.0321	(0.0279)
90	Kuwait	0.25	0.24	0.1900	0.1874	(0.0526)
91	Lao People's Democratic Republic	0.01	0.01	0.0100	0.0100	–
92	Lesotho	0.01	0.01	0.0100	0.0100	–
93	Latvia	0.13	0.13	0.0825	0.0814	(0.0486)
94	Lebanon	0.01	0.01	0.0100	0.0100	–
95	Liberia	0.01	0.01	0.0100	0.0100	–
96	Libyan Arab Jamahiriya	0.24	0.24	0.2025	0.1998	(0.0402)
97	Lithuania	0.15	0.15	0.0850	0.0838	(0.0662)
98	Luxembourg	0.06	0.06	0.0700	0.0691	0.0091
99	Madagascar	0.01	0.01	0.0100	0.0100	–
100	Malaysia	0.12	0.12	0.1400	0.1381	0.0181
101	Malawi	0.01	0.01	0.0100	0.0100	–
102	Mali	0.01	0.01	0.0100	0.0100	–
103	Malta	0.01	0.01	0.0100	0.0100	–
104	Morocco	0.03	0.03	0.0300	0.0296	(0.0004)
105	Mauritius	0.01	0.01	0.0100	0.0100	–
106	Mauritania	0.01	0.01	0.0100	0.0100	–
107	Mexico	0.88	0.87	0.7875	0.7768	(0.0932)
108	Moldova, Republic of	0.15	0.15	0.0850	0.0838	(0.0662)
109	Mongolia	0.01	0.01	0.0100	0.0100	–
110	Mozambique	0.01	0.01	0.0100	0.0100	–
111	Myanmar	0.01	0.01	0.0100	0.0100	–
112	Namibia	0.01	0.01	0.0100	0.0100	–
113	Nepal	0.01	0.01	0.0100	0.0100	–
114	Nicaragua	0.01	0.01	0.0100	0.0100	–
115	Niger	0.01	0.01	0.0100	0.0100	–
116	Nigeria	0.20	0.20	0.1150	0.1134	(0.0866)
117	Norway	0.55	0.54	0.5600	0.5524	0.0124
118	New Zealand	0.24	0.24	0.2400	0.2367	(0.0033)
119	Oman	0.03	0.03	0.0400	0.0395	0.0095
120	Uganda	0.01	0.01	0.0100	0.0100	–
121	Uzbekistan	0.26	0.25	0.1375	0.1356	(0.1144)
122	Pakistan	0.06	0.06	0.0600	0.0592	(0.0008)
123	Panama	0.02	0.02	0.0100	0.0100	(0.0100)
124	Papua New Guinea	0.01	0.01	0.0100	0.0100	–

APPENDIX A – 1996

Scales of Assessment

	State (French alphabetical order)	UN assessments 1993 & 1994	ILO assessments 1995	UN assessments 1996	Draft scale of ILO assessments 1996	Increase or decrease (difference between Cols. 2 & 4)
		Col. 1 %	Col. 2 %	Col. 3 %	Col. 4 %	Col. 5 %
125	Paraguay	0.02	0.02	0.0100	0.0100	(0.0100)
126	Netherlands	1.50	1.48	1.5875	1.5660	0.0860
127	Peru	0.06	0.06	0.0600	0.0592	(0.0008)
128	Philippines	0.07	0.07	0.0600	0.0592	(0.0108)
129	Poland	0.47	0.46	0.3375	0.3329	(0.1271)
130	Portugal	0.20	0.20	0.2750	0.2713	0.0713
131	Qatar	0.05	0.05	0.0400	0.0395	(0.0105)
132	Romania	0.17	0.17	0.1500	0.1480	(0.0220)
133	United Kingdom	5.02	4.95	5.3150	5.2429	0.2929
134	Russian Federation	6.71	6.62	4.4500	4.3896	(2.2304)
135	Rwanda	0.01	0.01	0.0100	0.0100	–
136	St. Lucia	0.01	0.01	0.0100	0.0100	–
137	San Marino	0.01	0.01	0.0100	0.0100	–
138	Sao Tome and Principe	0.01	0.01	0.0100	0.0100	–
139	Senegal	0.01	0.01	0.0100	0.0100	–
140	Seychelles	0.01	0.01	0.0100	0.0100	–
141	Sierra Leone	0.01	0.01	0.0100	0.0100	–
142	Singapore	0.12	0.12	0.1400	0.1381	0.0181
143	Slovakia	0.13	0.13	0.0825	0.0814	(0.0486)
144	Slovenia	0.09	0.09	0.0700	0.0691	(0.0209)
145	Somalia	0.01	0.01	0.0100	0.0100	–
146	Sudan	0.01	0.01	0.0100	0.0100	–
147	Sri Lanka	0.01	0.01	0.0100	0.0100	–
148	Sweden	1.11	1.09	1.2275	1.2109	0.1209
149	Switzerland	1.16	1.14	1.2100	1.1936	0.0536
150	Suriname	0.01	0.01	0.0100	0.0100	–
151	Swaziland	0.01	0.01	0.0100	0.0100	–
152	Syrian Arab Republic	0.04	0.04	0.0500	0.0493	0.0093
153	Tajikistan	0.05	0.05	0.0200	0.0197	(0.0303)
154	Tanzania, United Republic of	0.01	0.01	0.0100	0.0100	–
155	Chad	0.01	0.01	0.0100	0.0100	–
156	Czech Republic	0.42	0.41	0.2600	0.2565	(0.1535)
157	Thailand	0.11	0.11	0.1300	0.1282	0.0182
158	Togo	0.01	0.01	0.0100	0.0100	–
159	Trinidad and Tobago	0.05	0.05	0.0325	0.0321	(0.0179)
160	Tunisia	0.03	0.03	0.0300	0.0296	(0.0004)
161	Turkmenistan	0.06	0.06	0.0325	0.0321	(0.0279)
162	Turkey	0.27	0.26	0.3750	0.3699	0.1099
163	Ukraine	1.87	1.84	1.1400	1.1245	(0.7155)
164	Uruguay	0.04	0.04	0.0400	0.0395	(0.0005)
165	Venezuela	0.49	0.48	0.3375	0.3329	(0.1471)
166	Viet Nam	0.01	0.01	0.0100	0.0100	–
167	Yemen	0.01	0.01	0.0100	0.0100	–
168	Yugoslavia	0.14	0.14	0.1025	0.1011	(0.0389)
169	Zaire	0.01	0.01	0.0100	0.0100	–
170	Zambia	0.01	0.01	0.0100	0.0100	–
171	Zimbabwe	0.01	0.01	0.0100	0.0100	–
	TOTAL	101.02	100.00	101.0200	100.0000	–

APPENDIX B – 1997

Scales of Assessment

	State (French alphabetical order)	UN assessments 1996	Draft scale of ILO assessments 1996	UN assessments 1997	Draft scale of ILO assessments 1997	Increase or decrease (difference between Cols. 2 & 4)
		Col. 1 %	Col. 2 %	Col. 3 %	Col. 4 %	Col. 5 %
1	Afghanistan	0.0100	0.0100	0.01	0.01	–
2	South Africa	0.3225	0.3181	0.32	0.31	(0.0081)
3	Albania	0.0100	0.0100	0.01	0.01	–
4	Algeria	0.1600	0.1578	0.16	0.16	0.0022
5	Germany	9.0425	8.9199	9.06	8.94	0.0201
6	Angola	0.0100	0.0100	0.01	0.01	–
7	Antigua and Barbuda	0.0100	0.0100	0.01	0.01	–
8	Saudi Arabia	0.7200	0.7102	0.71	0.70	(0.0102)
9	Argentina	0.4800	0.4735	0.48	0.47	(0.0035)
10	Armenia	0.0550	0.0543	0.05	0.05	(0.0043)
11	Australia	1.4800	1.4599	1.48	1.46	0.0001
12	Austria	0.8650	0.8533	0.87	0.86	0.0067
13	Azerbaijan	0.1175	0.1159	0.11	0.11	(0.0059)
14	Bahamas	0.0200	0.0197	0.02	0.02	0.0003
15	Bahrain	0.0200	0.0197	0.02	0.02	0.0003
16	Bangladesh	0.0100	0.0100	0.01	0.01	–
17	Barbados	0.0100	0.0100	0.01	0.01	–
18	Belarus	0.2925	0.2885	0.28	0.27	(0.0185)
19	Belgium	1.0075	0.9938	1.01	0.99	(0.0036)
20	Belize	0.0100	0.0100	0.01	0.01	–
21	Benin	0.0100	0.0100	0.01	0.01	–
22	Bolivia	0.0100	0.0100	0.01	0.01	–
23	Bosnia and Herzegovina	0.0125	0.0123	0.01	0.01	(0.0023)
24	Botswana	0.0100	0.0100	0.01	0.01	–
25	Brazil	1.6200	1.5980	1.62	1.60	0.0020
26	Bulgaria	0.0825	0.0814	0.08	0.08	(0.0014)
27	Burkina Faso	0.0100	0.0100	0.01	0.01	–
28	Burundi	0.0100	0.0100	0.01	0.01	–
29	Cambodia	0.0100	0.0100	0.01	0.01	–
30	Cameroon	0.0100	0.0100	0.01	0.01	–
31	Canada	3.1025	3.0604	3.11	3.07	0.0096
32	Cape Verde	0.0100	0.0100	0.01	0.01	–
33	Central African Republic	0.0100	0.0100	0.01	0.01	–
34	Chile	0.0800	0.0789	0.08	0.08	0.0011
35	China	0.7350	0.7250	0.74	0.73	0.0050
36	Cyprus	0.0300	0.0296	0.03	0.03	0.0004
37	Colombia	0.1000	0.0986	0.10	0.10	0.0014
38	Comoros	0.0100	0.0100	0.01	0.01	–
39	Congo	0.0100	0.0100	0.01	0.01	–
40	Korea, Republic of	0.8175	0.8064	0.82	0.81	0.0036
41	Costa Rica	0.0100	0.0100	0.01	0.01	–
42	Côte d'Ivoire	0.0100	0.0100	0.01	0.01	–
43	Croatia	0.0900	0.0888	0.09	0.09	0.0012
44	Cuba	0.0525	0.0518	0.05	0.05	(0.0018)
45	Denmark	0.7175	0.7078	0.72	0.71	0.0022
46	Djibouti	0.0100	0.0100	0.01	0.01	–
47	Dominican Republic	0.0100	0.0100	0.01	0.01	–
48	Dominica	0.0100	0.0100	0.01	0.01	–
49	Egypt	0.0700	0.0691	0.08	0.08	0.0109
50	El Salvador	0.0100	0.0100	0.01	0.01	–
51	United Arab Emirates	0.1900	0.1874	0.19	0.19	0.0026
52	Ecuador	0.0200	0.0197	0.02	0.02	0.0003
53	Eritrea	0.0100	0.0100	0.01	0.01	–
54	Spain	2.3625	2.3305	2.38	2.35	0.0195
55	Estonia	0.0425	0.0419	0.04	0.04	(0.0019)
56	United States	25.0000	25.0000	25.00	25.00	–
57	Ethiopia	0.0100	0.0100	0.01	0.01	–
58	The former Yug. Rep. of Macedonia	0.0100	0.0100	0.01	0.01	–
59	Fiji	0.0100	0.0100	0.01	0.01	–
60	Finland	0.6175	0.6091	0.62	0.61	0.0009
61	France	6.4075	6.3206	6.42	6.33	0.0094
62	Gabon	0.0100	0.0100	0.01	0.01	–

APPENDIX B – 1997

Scales of Assessment

	State (French alphabetical order)	UN assessments 1996	Draft scale of ILO assessments 1996	UN assessments 1997	Draft scale of ILO assessments 1997	Increase or decrease (difference between Cols. 2 & 4)
		Col. 1 %	Col. 2 %	Col. 3 %	Col. 4 %	Col. 5 %
63	Georgia	0.1175	0.1159	0.11	0.11	(0.0059)
64	Ghana	0.0100	0.0100	0.01	0.01	–
65	Greece	0.3800	0.3748	0.38	0.37	(0.0048)
66	Grenada	0.0100	0.0100	0.01	0.01	–
67	Guatemala	0.0200	0.0197	0.02	0.02	0.0003
68	Guinea	0.0100	0.0100	0.01	0.01	–
69	Guinea – Bissau	0.0100	0.0100	0.01	0.01	–
70	Equatorial Guinea	0.0100	0.0100	0.01	0.01	–
71	Guyana	0.0100	0.0100	0.01	0.01	–
72	Haiti	0.0100	0.0100	0.01	0.01	–
73	Honduras	0.0100	0.0100	0.01	0.01	–
74	Hungary	0.1400	0.1381	0.14	0.14	0.0019
75	Solomon Islands	0.0100	0.0100	0.01	0.01	–
76	India	0.3100	0.3058	0.31	0.30	(0.0058)
77	Indonesia	0.1400	0.1381	0.14	0.14	0.0019
78	Iran, Islamic Republic of	0.4675	0.4612	0.45	0.44	(0.0212)
79	Iraq	0.1400	0.1381	0.14	0.14	0.0019
80	Ireland	0.2100	0.2072	0.21	0.21	0.0028
81	Iceland	0.0300	0.0296	0.03	0.03	0.0004
82	Israel	0.2675	0.2639	0.27	0.26	(0.0039)
83	Italy	5.1975	5.1270	5.25	5.18	0.0530
84	Jamaica	0.0100	0.0100	0.01	0.01	–
85	Japan	15.4350	15.2256	15.65	15.44	0.2144
86	Jordan	0.0100	0.0100	0.01	0.01	–
87	Kazakhstan	0.2000	0.1973	0.19	0.19	(0.0073)
88	Kenya	0.0100	0.0100	0.01	0.01	–
89	Kyrgyzstan	0.0325	0.0321	0.03	0.03	(0.0021)
90	Kuwait	0.1900	0.1874	0.19	0.19	0.0026
91	Lao People's Democratic Republic	0.0100	0.0100	0.01	0.01	–
92	Lesotho	0.0100	0.0100	0.01	0.01	–
93	Latvia	0.0825	0.0814	0.08	0.08	(0.0014)
94	Lebanon	0.0100	0.0100	0.01	0.01	–
95	Liberia	0.0100	0.0100	0.01	0.01	–
96	Libyan Arab Jamahiriya	0.2025	0.1998	0.20	0.20	0.0002
97	Lithuania	0.0850	0.0838	0.08	0.08	(0.0038)
98	Luxembourg	0.0700	0.0691	0.07	0.07	0.0009
99	Madagascar	0.0100	0.0100	0.01	0.01	–
100	Malaysia	0.1400	0.1381	0.14	0.14	0.0019
101	Malawi	0.0100	0.0100	0.01	0.01	–
102	Mali	0.0100	0.0100	0.01	0.01	–
103	Malta	0.0100	0.0100	0.01	0.01	–
104	Morocco	0.0300	0.0296	0.03	0.03	0.0004
105	Mauritius	0.0100	0.0100	0.01	0.01	–
106	Mauritania	0.0100	0.0100	0.01	0.01	–
107	Mexico	0.7875	0.7768	0.79	0.78	0.0032
108	Moldova, Republic of	0.0850	0.0838	0.08	0.08	(0.0038)
109	Mongolia	0.0100	0.0100	0.01	0.01	–
110	Mozambique	0.0100	0.0100	0.01	0.01	–
111	Myanmar	0.0100	0.0100	0.01	0.01	–
112	Namibia	0.0100	0.0100	0.01	0.01	–
113	Nepal	0.0100	0.0100	0.01	0.01	–
114	Nicaragua	0.0100	0.0100	0.01	0.01	–
115	Niger	0.0100	0.0100	0.01	0.01	–
116	Nigeria	0.1150	0.1134	0.11	0.11	(0.0034)
117	Norway	0.5600	0.5524	0.56	0.55	(0.0024)
118	New Zealand	0.2400	0.2367	0.24	0.24	0.0033
119	Oman	0.0400	0.0395	0.04	0.04	0.0005
120	Uganda	0.0100	0.0100	0.01	0.01	–
121	Uzbekistan	0.1375	0.1356	0.13	0.13	(0.0056)
122	Pakistan	0.0600	0.0592	0.06	0.06	0.0008
123	Panama	0.0100	0.0100	0.01	0.01	–
124	Papua New Guinea	0.0100	0.0100	0.01	0.01	–

APPENDIX B – 1997

Scales of Assessment

	State (French alphabetical order)	UN assessments 1996	Draft scale of ILO assessments 1996	UN assessments 1997	Draft scale of ILO assessments 1997	Increase or decrease (difference between Cols. 2 & 4)
		Col. 1 %	Col. 2 %	Col. 3 %	Col. 4 %	Col. 5 %
125	Paraguay	0.0100	0.0100	0.01	0.01	–
126	Netherlands	1.5875	1.5660	1.59	1.57	0.0040
127	Peru	0.0600	0.0592	0.06	0.06	0.0008
128	Philippines	0.0600	0.0592	0.06	0.06	0.0008
129	Poland	0.3375	0.3329	0.33	0.32	(0.0129)
130	Portugal	0.2750	0.2713	0.28	0.27	(0.0013)
131	Qatar	0.0400	0.0395	0.04	0.04	0.0005
132	Romania	0.1500	0.1480	0.15	0.15	0.0020
133	United Kingdom	5.3150	5.2429	5.32	5.25	0.0071
134	Russian Federation	4.4500	4.3896	4.27	4.21	(0.1796)
135	Rwanda	0.0100	0.0100	0.01	0.01	–
136	St. Lucia	0.0100	0.0100	0.01	0.01	–
137	San Marino	0.0100	0.0100	0.01	0.01	–
138	Sao Tome and Principe	0.0100	0.0100	0.01	0.01	–
139	Senegal	0.0100	0.0100	0.01	0.01	–
140	Seychelles	0.0100	0.0100	0.01	0.01	–
141	Sierra Leone	0.0100	0.0100	0.01	0.01	–
142	Singapore	0.1400	0.1381	0.14	0.14	0.0019
143	Slovakia	0.0825	0.0814	0.08	0.08	(0.0014)
144	Slovenia	0.0700	0.0691	0.07	0.07	0.0009
145	Somalia	0.0100	0.0100	0.01	0.01	–
146	Sudan	0.0100	0.0100	0.01	0.01	–
147	Sri Lanka	0.0100	0.0100	0.01	0.01	–
148	Sweden	1.2275	1.2109	1.23	1.21	(0.0009)
149	Switzerland	1.2100	1.1936	1.21	1.19	(0.0036)
150	Suriname	0.0100	0.0100	0.01	0.01	–
151	Swaziland	0.0100	0.0100	0.01	0.01	–
152	Syrian Arab Republic	0.0500	0.0493	0.05	0.05	0.0007
153	Tajikistan	0.0200	0.0197	0.02	0.02	0.0003
154	Tanzania, United Republic of	0.0100	0.0100	0.01	0.01	–
155	Chad	0.0100	0.0100	0.01	0.01	–
156	Czech Republic	0.2600	0.2565	0.25	0.25	(0.0065)
157	Thailand	0.1300	0.1282	0.13	0.13	0.0018
158	Togo	0.0100	0.0100	0.01	0.01	–
159	Trinidad and Tobago	0.0325	0.0321	0.03	0.03	(0.0021)
160	Tunisia	0.0300	0.0296	0.03	0.03	0.0004
161	Turkmenistan	0.0325	0.0321	0.03	0.03	(0.0021)
162	Turkey	0.3750	0.3699	0.38	0.37	0.0001
163	Ukraine	1.1400	1.1245	1.09	1.07	(0.0545)
164	Uruguay	0.0400	0.0395	0.04	0.04	0.0005
165	Venezuela	0.3375	0.3329	0.33	0.32	(0.0129)
166	Viet Nam	0.0100	0.0100	0.01	0.01	–
167	Yemen	0.0100	0.0100	0.01	0.01	–
168	Yugoslavia	0.1025	0.1011	0.10	0.10	(0.0011)
169	Zaire	0.0100	0.0100	0.01	0.01	–
170	Zambia	0.0100	0.0100	0.01	0.01	–
171	Zimbabwe	0.0100	0.0100	0.01	0.01	–
	TOTAL	101.0200	100.0000	101.02	100.00	–

Annex 3

(a) Review of the Financial Regulations governing cash surpluses and deficits (GB.261/PFA/4/1)
(b) First report of the Programme, Financial and Administrative Committee (extract) (GB.261/4/33)
(c) Review of the Financial Regulations governing cash surpluses and deficits (GB.262/PFA/3)

INTERNATIONAL LABOUR OFFICE

GB.261/PFA/4/1
261st Session

Governing Body

Geneva, November 1994

Programme, Financial and Administrative Committee

PFA

FOURTH ITEM ON THE AGENDA

Review of the Financial Regulations governing cash surpluses and deficits

1. At the 259th (March 1994) Session of the Governing Body, the Committee reviewed the Director-General's proposals,[1] aimed at achieving greater flexibility in the Financial Regulations for the treatment of future cash surpluses and cash deficits.

2. Although it is the position of the Director-General that he would prefer to maintain the existing provisions of articles 18 and 21.2 of the Financial Regulations, he has nevertheless been obliged to examine alternatives to these provisions, as circumstances have been such in the last few biennia that there has been a reluctance on the part of member States to apply them consistently. The practical difficulties that have arisen by the non-application of these provisions of the Financial Regulations were fully explained in the previous document.[2]

3. At the last session of the Governing Body, three main approaches were presented to the Committee to introduce a greater measure of flexibility in the Financial Regulations. These may be summarized as follows:

Cash surpluses

(a) Delegation of full authority by the Conference to the Governing Body to dispose of cash surpluses as appropriate.

(b) Delegation of a limited authority to the Governing Body to dispose of any surplus up to a specified threshold, e.g. a maximum percentage of the biennial expenditure budget.

Cash deficits

(c) At present, any income received after 31 December of a biennium is automatically treated as budgetary income of the new biennium. It was suggested that the Conference might delegate authority to the Governing

[1] GB.259/PFA/3/12.

[2] ibid, paras. 6 to 8.

Body to decide that arrears of contributions, received up to a specified date in the year following the close of a biennium, could be brought to account as budgetary income for the previous biennium up to the extent necessary to cover or reduce a cash deficit.

(d) Arrears of contributions received in a biennium could be used in the first instance to reimburse any withdrawals made from the Working Capital Fund to finance cash deficits caused by income shortfalls in respect of preceding financial periods.

4. During the discussion on this subject at the last meeting of the Committee, the Workers' group supported the idea of a full delegation of authority by the Conference to the Governing Body to dispose of cash surpluses as appropriate, while the Employers' group preferred a limited delegation to the Governing Body in this respect. None of the Government members who participated in the discussion, however, expressed support for either of these two alternatives to deal with cash surpluses.

5. On the other hand, the proposals in the earlier document[3] to deal with cash deficits through the introduction of flexibility in the Financial Regulations for the accounting of budgetary income, as summarized in paragraph 3(c) and (d) above, received unanimous support from all three groups. Accordingly, the proposals now being made to the Committee focus on such an approach, but also examine the relative merits of the existing provisions of the Financial Regulations.

Existing provisions of articles 18 and 21.2 of the Financial Regulations

6. The main advantage is that the Financial Regulations provide a solid statutory basis for the full financing of regular budget activities and guarantee the timely replenishment of the Working Capital Fund, should cash deficits arise. As explained in paragraph 5 of the previous document, over a period of time there should be no additional charge on any one member State in respect of the non-payment of contributions by another.

7. The disadvantage of the present system is that the relevant provisions of the Financial Regulations have not recently been applied, the Conference having waived their provisions on an ad hoc basis. The Director-General has been expected, in recent years, to reduce programmes at times of uncertainty over the collection of income, instead of relying on the financial security provided for in the Financial Regulations, as member States have shown a reluctance to accept additional assessments. This has led to numerous practical difficulties of a serious nature, as described in paragraphs 6 to 8 of the previous document.

[3] ibid, paras. 13 and 14.

Delegation of authority to the Governing Body to treat arrears of income, received up to a specified date in the year following the close of a biennium, as budgetary income for the previous biennium (paragraph 3(c) above and paragraph 13 of document GB.259/PFA/3/12)

8. While such an approach would give some flexibility and would bear positive results where sufficient arrears were received in the very early months of a new biennium to cover a cash deficit of the preceding biennium, it does have the following disadvantages:

(a) a cash deficit might very well remain due to insufficient collection of arrears at the cut-off date;

(b) it would replace one arbitrary date (31 December of the second year of the biennium) with another arbitrary cut-off date.

Applying arrears of contributions received in the biennium in the first instance to reimburse any withdrawals made from the Working Capital Fund to finance cash deficits in preceding financial periods (paragraph 3(d) above and paragraph 14 of document GB.259/PFA/3/12)

9. With this approach, any withdrawals made from the Working Capital Fund to finance cash deficits directly attributable to a shortfall in budgetary income would not be assessed on member States, but would be reimbursed to the Working Capital Fund upon the receipt of arrears of contributions. At present, such arrears constitute budgetary income for the period in which they are received. The advantages of such an approach would be:

(a) except in extreme cases, there would be no need for the Director-General to reduce programmes in anticipation of income shortfalls;

(b) no significant cash surpluses should normally arise, as arrears would be used in the first instance to reimburse the Working Capital Fund for any withdrawals made to finance cash deficits due to the late payment of contributions;

(c) there would be no additional assessments on member States in respect of cash deficits attributable to shortfalls in budgetary income.

10. The disadvantages of such a scheme, however, would be:

(a) the solid statutory base provided by the Financial Regulations for the full financing of regular budget activities and for the timely reimbursement of withdrawals to the Working Capital Fund would be considerably weakened;

(b) in very exceptional circumstances, where significant levels of contributions were consistently withheld by member States over a number of years, programmes would inevitably have to be curtailed and/or the level of the Working Capital Fund would need to be increased.

11. The Appendix to this paper shows how the finances of the Organization would have fared, had such a scheme been in operation over the last four biennia (1986-87 to 1992-93). The actual figures in the audited financial statements for budgetary income and budgetary expenditure have been adjusted to eliminate the effects of exchange rate fluctuations in 1986-87 and 1988-89 (the Swiss franc assessment system having been introduced in 1990-91) and to increase expenditure in 1986-87, 1988-89 and 1992-93 by the amounts of programme reductions made in those biennia to compensate for potential income shortfalls amounting to some $48 million.

12. The broad conclusion to be drawn from the Appendix is that the proposed new system would have worked satisfactorily over the last four biennia, three of which could be considered as abnormal, since they were characterized by significant income shortfalls. The implementation in full of the approved programme of work in the three biennia, in which programme reductions were approved by the Governing Body to cover potential income shortfalls, would have increased expenditure by some $48 million, and there would have been resulting cash deficits in each of those biennia. However, the cash deficits in three biennia could have been financed by the Working Capital Fund at its present nominal level of SF35 million, or $24.1 million at the 1994-95 budget rate of exchange of 1.45 Swiss francs to the dollar. The cash deficit of $27.1 million for 1988-89 would, however, have exhausted the present nominal level of the Working Capital Fund, leaving $3 million to be temporarily met at the end of 1989 by internal funds (such as contributions paid in advance) pending the receipt in 1990 of arrears of contributions from earlier biennia, which amounted to $59.1 million.

13. Accordingly, this scheme appears to be the most satisfactory alternative to the full application of articles 18 and 21.2 of the Financial Regulations to meet the case of income shortfalls preventing the implementation of the approved programme and budget. Its operation and the amendments that might be needed in consequence are therefore examined in paragraphs 14 to 18 below.

Operation of the proposed option

Cash surpluses

14. All cash surpluses would be credited to member States as at present in accordance with article 18 of the Financial Regulations. However, this article might need to be expanded to redefine budgetary income so that arrears of contributions received for previous financial periods would be applied in the first instance to replenish any withdrawals from the Working Capital Fund made in preceding financial periods to finance cash deficits caused by income shortfalls.

Cash deficits

15. Cash deficits would have to be broken down into income and expenditure components. For income, contributions received would be compared with the approved income budget to determine whether there was an income surplus or an income deficit. Similarly, budgetary expenditure would have to be compared with the originally approved expenditure budget to determine whether there was any budget overspending (due to additional expenditure items approved by the Governing Body under article 19.1(b) of the Financial Regulations), or a

budget underspending. A cash deficit could arise under any of the following circumstances:

(a) an income deficit combined with a budget overspending;

(b) an income deficit partly offset by a budget underspending;

(c) a budget overspending partly offset by an income surplus.

16. In the case of paragraph 15(a), the income deficit portion of the cash deficit would be covered in the next financial period by applying arrears of contributions received for previous financial periods to replenish the withdrawal made from the Working Capital Fund to finance the income deficit. The budget overspending portion due to additional expenditure items approved by the Governing Body, would be covered by means of an additional assessment on member States in the second year of the next biennium under article 21.2 of the Financial Regulations. This article might therefore need to be amended to distinguish between the replenishment of the Working Capital Fund in respect of withdrawals made to finance the income deficit and the replenishment in respect of withdrawals to finance supplementary expenditure authorized by the Governing Body.

17. As regards paragraph 15(b), the cash deficit would be entirely attributable to the income deficit. The withdrawal from the Working Capital Fund to finance this deficit would be replenished from arrears of contributions for previous biennia received in the next financial period.

18. In the case of paragraph 15(c), the cash deficit would be entirely due to budget overspending. The withdrawal from the Working Capital Fund to finance it would therefore be replenished by way of an additional assessment on member States under article 21.2 of the Financial Regulations.

19. Given the present reality that the provisions of articles 18 and 21.2 are either not being applied, or being applied only partially, to cover income shortfalls, the Director-General is of the view that it would be initially worth introducing a derogation from article 21.2 of the Financial Regulations to adopt the scheme described above. It would, of course, be essential to conduct a thorough evaluation of such a new system after a suitable period of time; if this evaluation was favourable, the system could be introduced on a permanent basis by way of amendments to the Financial Regulations. It is proposed that the trial period cover the three biennia 1994-95, 1996-97 and 1998-99, which would be followed by the necessary evaluation.

20. ***The Committee may wish to recommend that the Governing Body propose to the International Labour Conference, at its 82nd (June 1995) Session, that article 21.2 of the Financial Regulations be the subject of a derogation to allow for the introduction, on a trial basis, of a system whereby a withdrawal from the Working Capital Fund to finance a cash deficit directly attributable to income shortfalls is reimbursed in the following biennium or biennia from arrears of contributions received, and that it adopt a resolution in the following terms:***

The General Conference of the International Labour Organization,

Noting the practical difficulties that have arisen in recent biennia by the non-application of the provisions of articles 18 and 21.2 of the Financial Regulations,

Decides, on a trial basis for the 1994-95, 1996-97 and 1998-99 financial periods only, that — notwithstanding the aforementioned articles — sums withdrawn from the Working Capital Fund to finance budgetary expenditure pending receipt of contributions in accordance with article 19.1(a) of the Financial Regulations shall, if they cannot be reimbursed from contributions received in the course of the same financial period, be reimbursed from amounts credited in subsequent financial periods against arrears of contributions.

Geneva, 10 October 1994.

Point for decision: Paragraph 20.

Appendix

Illustration of the operation of the proposed system of using arrears of contributions in respect of previous biennia to reimburse withdrawals from the Working Capital Fund to finance cash deficits due to income shortfalls

		1986-87 $ million	1988-89 $ million	1990-91 $ million	1992-93 $ million
Income budget		235.1[1]	324.9[1]	330.4	405.7
Contributions received					
Year 1	— current assessments	89.7	115.3	116.4	143.4
	— arrears from previous biennia	10.4	21.8	59.1	33.3
Year 2	— current assessments	103.7	154.7	158.5	198.5
	— arrears from previous biennia	35.7	2.1	6.2	28.1
		239.5	293.9	340.2	403.3
Less:	Arrears applied to replenish the WCF for cash deficit in previous biennium due to shortfall in contributions	—	(7.4)	(27.1)	(17.3)
Budgetary income		239.5	286.5	313.1	386.0
Income surplus/(deficit)		(13.6)	(38.4)	(17.3)	(19.7)
Budgetary expenditure					
Expenditure budget		253.1[1]	324.9	330.4	405.7
Expenditure		246.9[2]	313.6[2]	333.1	405.7[2]
Expenditure under/(over) spending		6.2	11.3	(2.7)	—
Cash surplus/(deficit)					
Income surplus		(13.6)	(38.4)	(17.3)	(19.7)
Expenditure under/(over) spending		6.2	11.3	(2.7)	—
		(7.4)	(27.1)	(20.0)	(19.7)
Reimbursement of cash deficit to WCF					
From arrears of next biennium		—	7.4	27.1	17.3
By additional assessment under Article 18 of the Financial Regulations in second year of biennium		—	—	—	2.7
		—	7.4	27.1	20.0
Movement in level of WCF					
Replenishments		—	7.4	27.1	20.0
Withdrawals		(7.4)	(27.1)	(20.0)	(19.7)
	Net change	(7.4)	(19.7)	7.1	(0.3)

[1] Adjusted to eliminate the effect of exchange-rate fluctuations.

[2] Increased by amount of expenditure reductions approved by the Governing Body to cover potential income shortfalls: 1986-87 — $17.3 million; 1988-89 — $12.3 million; and 1992-93 — $18.0 million of originally approved expenditure reductions totalling $30.0 million.

INTERNATIONAL LABOUR OFFICE

Governing Body

GB.261/4/33
261st Session

Geneva, November 1994

(Extract)

FOURTH ITEM ON THE AGENDA

First report of the Programme, Financial and Administrative Committee

1. The Programme, Financial and Administrative Committee of the Governing Body met on 9 November 1994 and was chaired by Mrs. Roldan-Confesor, Chairperson of the Governing Body. Mr. C. Wetz (Government, Germany) was the Reporter.

(...)

Review of the Financial Regulations governing cash surpluses and deficits
(Fourth item on the agenda)

19. The Committee had before it a paper[1] concerning the provisions of the Financial Regulations dealing with cash surplus and deficits.

20. Miss Mackie, for the Employer members, said that the paper discussed briefly the main aspects of the problems the Organization had faced in recent biennia concerning cash surpluses and deficits. It contained a modest proposal which it was suggested should be introduced for a trial period of three biennia, and the Employers supported this proposal in broad terms. There were a number of issues, however, which were not addressed in the paper, the first of which concerned the effectiveness of the proposal. Unless the Working Capital Fund was used for the purposes described in this paper and in the Financial Regulations, the proposal would be meaningless because any surplus arising from payment of arrears could not be used as proposed. Secondly, the Office would be expected to continue the implementation of the approved programme and budget, using the Working Capital Fund when necessary in accordance with its proper purposes. Nevertheless, the level of the Working Capital Fund was not sufficient to deal with significant delays by major contributors, and the sensible management practice of relating expenditure to likely income, which was supported by the Employers, should not be abandoned.

[1] GB.261/PFA/4/1.

21. Thirdly, the Office paper did not address the problem of motivating member States to pay their contributions when they fell due at the beginning of the year. Admittedly, this was not always possible, but it was still the ideal that all member States should strive for. The incentive scheme for early payment of contributions was more a gesture of appreciation than a reward for those governments which paid early but it would have to be strengthened if it was to act as a motivating force. It would be useful if the Office could prepare a paper dealing with motivation in a wider sense — not only incentives for early payment but also penalties for late payment.

22. Fourthly, the way in which the Organization had dealt with budgetary surpluses in recent biennia gave an opportunity to approve irregular but necessary expenditure on buildings, services, equipment and personnel. The Employers were concerned that the proposal put forward would reduce available surpluses without suggesting how these expenditures would be financed in future. Despite these reservations, the Employers were prepared to support the point for decision.

23. Mr. Vanni, for the Worker members, recalled that at the Governing Body's 259th Session (March 1994) the Workers had expressed the view that the Governing Body should have the power to deal with cash surpluses and deficits as it saw fit, and they were therefore prepared to give their support for the point for decision. The Working Capital Fund was a valuable mechanism for financing expenditure pending the receipt of contributions and, although there might be other minor problems to be resolved, the proposal in the Office paper was a major step forward.

24. The representative of the Government of the United Kingdom also endorsed the point for decision and hoped that the new arrangement would enable the Office to manage better the transitional phase between budgetary periods and that there would be fewer problems for this Committee in the management of the programme and budget. He endorsed also the Employers' view that the Office had established a sensible and realistic approach in recent years to the problems caused by serious income shortfalls. It should continue that approach and not fall back upon the Working Capital Fund as a long-term borrowing facility. The proposal before the Committee also hinted at the continuing failure of certain member States to pay their contributions in full and on time. The situation appeared to be deteriorating and, although the problem had been considered on several occasions in the past, he joined the Employers in urging the Office to continue its search for ways to encourage member States to pay their contributions more promptly.

25. The representative of the Government of India supported the views expressed by the previous speaker. The Office had managed its finances carefully in the 1992-93 biennium and there was no reason to believe that it would relax its stance because of this proposal. Turning to the question of motivation raised by earlier speakers, he found it difficult to see how the pattern of payment of contributions could be improved other than by a direct appeal to governments to pay their contributions promptly.

26. The representative of the Government of the Netherlands associated himself with the remarks of previous speakers who were in favour of the proposal. It should lead to an improvement in the financial management of the

Organization, but the trial period of three biennia should be supplemented by other safeguards such as regular monitoring, reporting and evaluation.

27. The representative of the Government of the United States said that the ILO, like other organizations, should simply modify and if necessary reduce its programmes in order to correspond with income received. Admittedly, there were problems with the timing of receipt of member States' contributions: some were merely late in making payment but others had to contend with serious structural and economic problems. While it was true that payments were occasionally received early in the following biennium, this did not necessarily indicate that it would happen regularly. In addition to the safeguards suggested by the previous speaker, it could be useful to have an opinion on this proposal from the External Auditor. The Office itself should also develop procedures which would indicate if the scheme was running into difficulties. A final safeguard could be to have the continuation of the scheme dependent upon regular approval by the Governing Body.

28. The representative of the Government of Canada welcomed the efforts of the Office to deal with the recurring problem of cash surpluses and deficits and supported the proposal for a trial period of three biennia. The proposal, however, dealt only with the problem of short-term cash management. Other issues referred to by previous speakers, such as the chronic problem of non-payment or partial payment of contributions, were equally important. Even for the problem of short-term cash management the only solution put forward was to borrow from and replenish the Working Capital Fund. It would be useful to consider other options, in particular the issues to be considered if a full accrual accounting system was to be introduced. The longer term problem of non-payment or late payment of contributions by member States also deserved serious study.

29. The representative of the Government of Spain expressed support for the point for decision. Even though the Office managed its finances responsibly there were still problems with the non-payment or part-payment of contributions and the way the Working Capital Fund operated. It seemed that a practical and useful solution had been put forward by the Office but it should be subject to reassessment by the Governing Body at a later date. On the matter of payment of contributions, for many member States it was a matter of inability rather than unwillingness to pay. This matter had already been discussed in some detail when the decision was taken to introduce the incentive scheme, and it was very doubtful whether a system of sanctions was appropriate to discourage late payments. This was an issue which should not be decided without much more study.

30. The representative of the Government of Japan expressed appreciation for the proposal in the Office paper but believed that the present system provided adequate safeguards for the implementation of an approved programme and budget. More specifically, if the proposal in the Office document were to be implemented, there was a possibility that the financial management practices of the Office and the management of the Working Capital Fund could be weakened. It would be more useful to examine in detail the reasons for member States' payment difficulties, and to devise a scheme which took these difficulties into account.

31. The representative of the Government of Germany observed that it was the events of the 1992-93 budgetary period and those of early 1994 that had led to the proposal before the Committee today. During the course of the 1992-93 biennium it became obvious that the Office could not rely on the contribution of one of the major contributors and the Director-General had very wisely proposed programme cuts to compensate for the shortfall. Painful though it was for many member States, the Governing Body had agreed to these programme reductions. As the Committee would recall, a substantial portion of the missing funds were in fact received by the Office shortly before the end of the biennium, too late for all the programmes to be fully reinstated in that biennium. During 1994 the Governing Body and then the Conference had decided, exceptionally, to finance certain expenditure in the current biennium from the 1992-93 cash surplus. Although this was sensible from a budgetary point of view, it was not an ideal solution and the Office had now put forward a proposal to avoid a recurrence of this situation. There were three points which merited consideration.

32. First, the Working Capital Fund served to provide short-term financing for expenditure pending the receipt of contributions, not as a mechanism to fund shortfalls at the end of a financial period, as would be the case if this proposal was adopted. Secondly, withdrawals from the Working Capital Fund were more likely to be required at the beginning of a financial period because programmes had already begun before contributions were received. If the Fund were to be depleted to cover a deficit at the end of a financial period, it could be exhausted early in the following period and unable to finance programmes pending the receipt of contributions. Thirdly, member States in arrears with their contributions could take a more relaxed view of their obligations if they saw the funds being temporarily provided from some other source. It would be far better to have a system which urged governments to pay punctually, such as a programme based on contingency planning where activities were agreed to and implemented only if the relevant budgetary resources were available. He was therefore unable to support the proposal in its present form, and agreed with the remarks of the representative of the United States Government that it would be useful to have an opinion on this proposal from the External Auditor.

33. The representative of the Government of Hungary emphasized that, in view of the heavy demands for the ILO's technical cooperation activities, the Office should seek to avoid a reduction of programmes resulting from financial difficulties. He therefore supported the Office's proposal to use the Working Capital Fund to finance temporary cash deficits, and was confident that member States that were in arrears would pay their contributions as soon as possible, thus allowing for a full replenishment of the Working Capital Fund.

34. The representative of the Government of the Russian Federation expressed support for the introduction of the Office's proposal on a trial basis. However, this should not be considered as an encouragement to make wider use of the Working Capital Fund in the future. As in the past, significant shortfalls in income would require programme cuts. The realistic approach adopted by the Office on past occasions was greatly appreciated, and a similar approach should be taken in the future.

35. The representative of the Government of Australia welcomed the proposal made in the paper before the Committee, particularly since it represented a move towards the United Nations common system accounting standards by relating income more directly to the period in which expenditure took place. In order to make the experiment successful, it would be necessary to monitor the level of the Working Capital Fund very closely, while at the same time ensuring that budgetary surpluses were returned to member States. Any offsetting between budget underspending and income deficits should be avoided.

36. The representative of the Government of Italy supported the Office's proposal on the understanding that efforts to encourage the timely payment of contributions should continue. In view of the experimental character of the proposal, it was essential to carry out an in-depth evaluation at the end of the trial period. If the Working Capital Fund was to be replenished from arrears, this should always be done as soon as possible.

37. The representative of the Government of France expressed unreserved support for the proposal before the Committee but pointed out that it would not solve the problem of late contributions. While it was necessary to apply this solution with caution, he was confident that the Office would carefully monitor the operation of the Working Capital Fund, and the expertise of the External Auditor would therefore not be needed. The measure was temporary and should be reviewed at the end of the trial period, but he was in favour of an immediate and unconditional adoption of the proposal.

38. The representative of the Government of Tunisia expressed support for the proposal, since it would improve the functioning of the Office.

39. The representative of the Government of Pakistan supported the Office's proposal, which would lead to greater flexibility in cash management. He endorsed the view of a previous speaker that surpluses should be used to meet shortfalls in the financing of technical cooperation activities.

40. The representative of the Government of Qatar associated himself with previous speakers, in particular the representative of the Government of France, in expressing support for the Office proposal.

41. The representative of the Director-General (the Treasurer and Financial Comptroller) pointed out that the proposal in the Office paper attempted to deal with a problem that was beyond the control of the Office, namely, that of the late payment of contributions. There were several reasons for this problem, ranging from the extremely difficult economic situation faced by some member States to the particular administrative and budgetary procedures of others, particularly the largest contributor. Another reason was that some governments, on occasion, regrettably withheld contributions to express their displeasure with the Organization or the Office.

42. The Office already had an incentive scheme to encourage the early payment of member States' contributions, but the problem was that the amount available for distribution under the scheme was based on interest earnings on temporarily surplus regular budget funds and was too unpredictable and occasionally too insignificant in financial terms to be a real incentive. The loss of voting rights by a member State once its arrears of contributions exceeded those

due for the previous two years was an effective penalty and could be made even more effective if this period were to be shortened. Something more was needed because on several occasions in recent biennia the Office had found itself in an extremely precarious financial situation because of non-payment of contributions. The Financial Regulations, although clearly defined, had not been observed: deficits had not been reimbursed and the Office was told that expenditure had to be tailored to expected income, although it was almost impossible to estimate such expected income. In the 1992-93 biennium a form of contingency planning had been applied when programme reductions were agreed in November 1992 and March 1993. As it turned out they had been unnecessary, but this could not have been foreseen.

43. The Organization was thus left with three choices. The first was to apply the Financial Regulations as they stood, which was the preference of the Director-General. The second was to continue muddling through as in the past, requesting derogations from the Financial Regulations when necessary. The third was to try and establish a pragmatic set of procedures which would provide a greater measure of flexibility so as to keep to a minimum potential cash surpluses and deficits.

44. The Treasurer emphasized that the proposals before the Committee would not solve financial problems created by substantial long-term withholdings of contributions. However, the Committee could rest assured that under such circumstances the Director-General would take a realistic approach to the problem and make programme adjustments in consultation with the Governing Body so that the cash reserves of the Organization would not be permanently depleted. He added that the ILO had managed the successive financial difficulties that it had been subjected to over the last 24 years with great financial responsibility and realism. At no time had it been necessary for the Governing Body or for the Conference to request the Office to reduce expenditure; this had always been done by the Director-General without any prompting, in spite of the Financial Regulations which authorized him, in no uncertain terms, to carry out the approved programme, even if full contributions had not been collected.

45. In view of these considerations, the proposals before the Committee would not diminish in any way the financial restraint that had always been carried out by the Office.

46. The advantage of the proposals was that any short-term delays in the payments of contributions would not lead to emergency measures to cut programmes and the resulting deficits would be reimbursed to the Working Capital Fund through arrears rather than by an additional assessment on all member States.

47. The Treasurer agreed that the representative of the Government of Germany was quite correct in stating that few contributions were received on 1 January and, in view of the reduced level of the Working Capital Fund recently decided by the Governing Body and the Conference, there was an increased risk that the Fund itself might be temporarily exhausted or even overdrawn during the course of a biennium. As regards the request for a formal opinion on this proposal from the External Auditor, this would be beyond his normal audit responsibilities. The role of the External Auditor was not to decide financial

policy for the Organization but to report to the Governing Body on whether the Director-General and his staff were observing the financial policies and Financial Regulations established by the Governing Body and by the Conference. Although giving an opinion on such matters was not normally a part of an auditor's responsibilities, if the Committee so wished, a paper containing his views on this proposal could be submitted to the next session of the Governing Body. However, consideration of such a paper by the Committee need not be a precondition to the adoption of the proposal. Should the proposed scheme fail to live up to expectations, it could be terminated by the Conference earlier than the initial trial period.

48. Miss Mackie, speaking for the Employer members, noted that during the experimental period the External Auditor would have ample opportunity to express his views. The proposed arrangement was indeed provisional, and should be terminated before the end of the trial period if there were good reasons to do so. Referring to the reasons for late payment given by the Treasurer, she wondered whether it would not be preferable to acknowledge the fact that, in some countries, national budgetary procedures made it impossible to pay contributions at the beginning of the biennium, rather than unduly criticizing them for late payment, which in these cases simply could not be avoided.

49. The representative of the United States Government, referring to the comments made by the Treasurer, still believed that it would be useful to seek the views of the External Auditor before the introduction of the new procedure. It was part of his responsibility to monitor the efficiency of financial and administrative procedures, but this did not mean that the Governing Body surrendered any of its authority, and of course he would still be expected to report on this measure in his regular audits.

50. The Treasurer reiterated his willingness to consult the External Auditor officially if the Committee so wished, but hoped that this would not delay a decision on the proposal before the Committee.

51. ***The Committee recommends that the Governing Body propose to the International Labour Conference, at its 82nd (June 1995) Session, that article 21.2 of the Financial Regulations be the subject of a derogation to allow for the introduction, on a trial basis, of a system whereby a withdrawal from the Working Capital Fund to finance a cash deficit directly attributable to income shortfalls is reimbursed in the following biennium or biennia from arrears of contributions received, and that it adopt a resolution in the following terms:***

The General Conference of the International Labour Organization,

Noting the practical difficulties that have arisen in recent biennia by the non-application of the provisions of articles 18 and 21.2 of the Financial Regulations;

Decides, on a trial basis for the 1994-95, 1996-97 and 1998-99 financial periods only, that — notwithstanding the aforementioned articles — sums withdrawn from the Working Capital Fund to finance budgetary expenditure pending receipt of contributions in accordance with article 19.1(a) of the Financial Regulations shall, if they cannot be reimbursed from contributions received in the course of the same financial period, be reimbursed from

amounts credited in subsequent financial periods against arrears of contributions.

INTERNATIONAL LABOUR OFFICE

Governing Body

GB.262/PFA/3
262nd Session

Geneva, March-April 1995

Programme, Financial and Administrative Committee

PFA

THIRD ITEM ON THE AGENDA

Review of the Financial Regulations governing cash surpluses and deficits

1. During the Committee's discussion of this item at the 261st Session (November 1994) of the Governing Body, a request was made for an opinion from the External Auditor on the Director-General's proposals contained in document GB.261/PFA/4/1. Accordingly, the External Auditor has reviewed the proposals and his views are presented in an Appendix.

2. The Director-General agrees with the conclusions and recommendations of the External Auditor as set out in paragraphs 9 and 10 of the Appendix. During the trial period of three biennia (1994-95 to 1998-99) the adequacy and frequency of use of the Working Capital Fund will be regularly and carefully monitored. The timing and amount of contributions received will also be closely reviewed to assess whether the new arrangements have any discernible adverse impact.

3. The External Auditor has suggested that the ILO should review the definition of a cash surplus implied under article 18 of the Financial Regulations and consider whether the new arrangements require a formal derogation from that article. The Legal Adviser notes that there is already provision in article 21.2 of the Financial Regulations for the utilization of temporary surpluses of budgetary income to repay withdrawals from the Working Capital Fund without any corresponding amendment to article 18 being considered necessary. However, in order to remove any room for doubt, the derogation from article 21.2 of the Financial Regulations that is contained in the Conference decision, proposed in paragraph 20 of document GB.261/PFA/4/1, also refers to article 18. Should the new arrangements prove satisfactory during the proposed six-year trial period, a decision could then be taken by the Conference to introduce them on a permanent basis, and article 18 of the Financial Regulations could, if necessary, be amended to provide a revised definition of budgetary income.

4. The Director-General will report to the Committee on the operation of the new arrangements once they come into effect. This would take place in a biennium where a cash deficit had arisen in the previous biennium on account of

income shortfalls. As pointed out by the External Auditor, it will not be possible to evaluate the proposed new arrangements until 1996-97 at the earliest, since there was no cash deficit for the 1992-93 biennium.

Geneva, 27 February 1995.

Appendix

National Audit Office

Office of the External Auditor
International Labour Organization
4 route des Morillons
CH-1211 Geneva 22
Switzerland

31 January 1995

PFAC review of the Financial Regulations governing cash surpluses and deficits

1. Thank you for your letter requesting, on behalf of the Programme, Financial and Administrative Committee, our views on the proposals set out in paper GB.261/PFA/4/1, concerning derogation of article 21.2 of the Financial Regulations to allow the introduction on a trial basis of a system whereby a withdrawal from the Working Capital Fund to finance a cash deficit directly attributable to income shortfalls would be reimbursed in the following biennium or biennia from arrears of contributions received.

2. At present Financial Regulations 18 and 21.2 provide that, where income exceeds expenditure, a cash surplus is used to reduce member States' contributions; and drawings from the Working Capital Fund which remain outstanding at the end of a financial period are reimbursed from additional assessments in the following period. Under the subject proposal, arrears of contributions received in a biennium will be applied in the first instance to reimburse any advances made from the Working Capital Fund in preceding years, where those advances had been for the purpose of financing cash deficits directly attributable to a shortfall in budgetary income. These new arrangements are intended to facilitate repayment of advances from the Working Capital Fund without either imposing a future burden on member States through additional assessments, or requiring cuts in the programme of work. The arrangements are consistent with the provisions of article 19 of the Financial Regulations which establishes the purpose of the Working Capital Fund.

Impact of the new arrangements

3. In the event that a repayment is due to the Working Capital Fund from a previous period, these new arrangements will affect the Organization's net cash position as follows. Where the regular budget is in surplus, the use of arrears to repay the Working Capital Fund will reduce the total amount of surplus which previously would have been credited to member States through the adjustment of assessments. Where the regular budget is in deficit, the total funds available to the Organization will decrease, since this deficit will no longer be financed from additional contributions.

4. Four factors appear particularly relevant if the new arrangements are to operate successfully:

(i) that the level of contributions' arrears is not increasing, in which case the Working Capital Fund would be depleted over time with no new assessments being levied to facilitate repayment;

(ii) that the level of the Working Capital Fund remains sufficient to cover any additional demand on the Fund arising from the avoidance of both additional assessments and programme expenditure reductions in response to income shortfall;

(iii) that the new arrangements do not result in member States delaying their payment of assessed contributions; and

(iv) that the ILO has sufficiently accurate information on the status of regular budget funds (surplus or deficit) during the financial period.

5. With regard to (i) our analysis indicates that the overall level of arrears of contributions has not increased significantly over the last three biennia. Although there have been some short-term fluctuations, income shortfall in one biennium has been largely compensated by the payment of arrears in the following biennium.

6. With regard to (ii) we note that in both 1992 and 1994 the ILO resorted heavily to the Working Capital Fund to cover income shortfalls, although only for short periods of time. If, on these occasions, the Working Capital Fund had already been depleted by financing a cash deficit from the previous period (as would be the case under the new proposals), the Fund would have been insufficient to meet the income shortfalls. In such circumstances the ILO would have had to borrow funds, either internally or externally, to fully finance regular budget expenditure. Borrowing would give rise to a reduction in interest or other additional costs to the Organization.

7. With regard to (iii) we note that the new arrangements would serve to reduce any cash surplus in a biennium, to the extent that part of that surplus would be used to repay advances to the Working Capital Fund. This would, in turn, reduce the amount of interest earned on the surplus, and therefore could have some detrimental effect on the financing of the Organizations's incentive scheme. Further, member States should remain aware that under the proposed arrangements, delays in the payment of assessed contributions would have a more significant effect than previously, because of the increased demand on the Working Capital Fund.

8. With regard to (iv) for the purposes of internal financial monitoring — which is relevant in calculating the balance on the regular budget and therefore in the context of the Working Capital Fund — the ILO does not routinely establish the precise level of regular budget surplus or deficit at any given point in time during the financial period. This is mainly due to delay in the recording of external office expenditure.

Conclusions and recommendations

9. The proposed arrangements appear to offer the Organization a viable means of financing short-term cash deficits arising from income shortfalls in a way that avoids additional assessments on member States and reduces the likelihood of programme reductions in anticipation of income shortfalls. Nevertheless, in the light of the above factors, the Programme, Financial and Administrative Committee may like to consider the following:

— The extent of withdrawals from the Working Capital Fund since 1990 suggests that under the proposed arrangements, the present level of the Fund might not prove sufficient at all times to support prior period deficits as well as temporary income shortfalls. We therefore recommend that the ILO monitor the adequacy, and also the frequency of use, of the Working Capital Fund during the trial period.

— While economic and political factors may be the main influence on the payment of assessed contributions, we suggest that the ILO monitor the timing of member States' payments during the trial period, in order to assess whether the new arrangements have any discernable adverse effect on the inflow of contributions income.

— In view of the importance of accurate expenditure monitoring in the implementation of the new arrangements, we suggest that the ILO include complete and adequate

provision for all regular budget financing requirements when calculating the balance available on the regular budget and in identifying the need for advances from the Working Capital Fund. Therefore we recommend that the ILO regularly make provision for all unrecorded expenditure from the field; and monitor the adequacy of the Working Capital Fund in the light of the need to provide for other financing requirements such as bank accounts and staff advances.

— We note that the new arrangements affect the scope of article 18 of the Financial Regulations. Arrears of contributions which were previously included in budgetary income for the purposes of calculating the cash surpluses which are distributed to member States, may now be used to repay advances from the Working Capital Fund. We suggest therefore that the ILO review the definition of a cash surplus implied under article 18; and in addition consider whether the proposed new arrangements require a formal derogation of this article.

10. Finally, we note that the new arrangements for reimbursing the Working Capital Fund from arrears of contributions will not be tested until such time as there is a cash deficit attributable to income shortfall which remains outstanding at the end of a financial period. Since there was no cash deficit at the end of 1993, it will not be possible to fully evaluate the effect of the new arrangements until the end of the 1996-97 biennium at the earliest.

11. I sincerely hope that these observations and suggestions will assist the Committee in their consideration of this matter, and we remain at the Governing Body's disposal if we can be of any further assistance.

Yours sincerely,

Graham C. MILLER,
Audit Manager.

Annex 4

Financial implications of holding a Maritime Session of the International Labour Conference (GB.262/PFA/6)

INTERNATIONAL LABOUR OFFICE

GB.262/PFA/6
262nd Session

Governing Body

Geneva, March-April 1995

Programme, Financial and Administrative Committee

PFA

SIXTH ITEM ON THE AGENDA

Financial implications of holding a Maritime Session of the International Labour Conference

1. The Governing Body has before it a proposal by the Director-General to hold a Maritime Session of the International Labour Conference from 9 to 23 January 1996.[1] It is envisaged that the Maritime Session of the Conference will establish three technical committees and a Resolutions Committee. All the committees would meet in the ILO building. The plenary sessions would be limited to the first day and last two days of the Conference, for which a large conference room would be rented at the Palais des Nations.

2. The cost of the Maritime Session is estimated at $2,427,000. This estimate includes provision for the translation and printing of technical reports in seven languages (there will be no report of the Director-General); the printing of the *Provisional Record* in three languages; interpretation in seven languages; the rental of a conference room at the Palais des Nations for three days; the hiring of short-term staff (mainly for typing and reproduction services); and minor miscellaneous expenditure.[2]

3. It is proposed to finance the Maritime Session of the Conference in the following manner:

	$
1994-95	
Part I of the budget	
Programme 140.6 — Programme Flexibility Reserve	1,086,000
Part II of the budget	
Major programme 295 — Unforeseen expenditure	875,000
	1,961,000
1996-97	
Part I of the budget	
Programme 10.2 — Maritime Session of the Conference (Programme and Budget proposals for 1996-97, paragraph 10.9)	466,000
Total	2,427,000

[1] Details of the proposals concerning the date, place, agenda and organization of the Maritime Session are contained in GB.262/3.

[2] In estimating costs, it has been assumed that the derogations proposed to the Standing Orders of the Conference (GB.262/LILS/2/3) will have been accepted.

4. The use of programme 140.6 (Programme Flexibility Reserve) and major programme 295 (Unforeseen expenditure) for this purpose in 1994-95 requires the approval of the Governing Body in accordance with article 15 of the Financial Regulations. Furthermore, since the Maritime Session is proposed to be held in the 1996-97 biennium (9-23 January 1996), most of the expenditure incurred in the course of the Conference would normally be a charge to the accounts for the 1996-97 financial period under article 17 of the Financial Regulations. A derogation to this article by the International Labour Conference is therefore required to permit expenditure not exceeding $1,961,000 to be charged to the accounts of the 1994-95 financial period against programme 140.6, the Programme Flexibility Reserve (up to $1,086,000) and major programme 295 (Unforeseen expenditure — up to $875,000).

5. ***Subject to the endorsement by the Governing Body and the approval by the Conference of the proposal contained in document GB.262/3 to hold a Maritime Session of the Conference in January 1996, the Committee may wish to recommend that the Governing Body —***

(a) approve the financing in 1994-95 of up to $1,961,000 of the cost of the Maritime Session of the International Labour Conference by charging up to $1,086,000 to programme 140.6 (Programme Flexibility Reserve), and up to $875,000 to major programme 295 (Unforeseen expenditure);

(b) propose to the International Labour Conference, at its 82nd (June 1995) Session, that article 17.1 of the Financial Regulations be the subject of a derogation to permit expenditure of up to $1,961,000 in respect of the January 1996 Maritime Session of the Conference to be charged to the accounts of the 1994-95 financial period against programme 140.6 (Programme Flexibility Reserve — up to $1,086,000) and to major programme 295 (Unforeseen expenditure — up to $875,000), and that it adopt a resolution in the following terms:

The General Conference of the International Labour Organization,

Noting that the cost of holding a Maritime Session of the International Labour Conference in January 1996 is estimated at $2,427,000,

Wishing to distribute this cost over the 1994-95 and the 1996-97 biennia;

Decides that, notwithstanding article 17.1 of the Financial Regulations, up to $1,961,000 of the cost of the Maritime Session be charged to the accounts of the 1994-95 financial period against programme 140.6, Programme Flexibility Reserve (up to $1,086,000) and major programme 295, Unforeseen expenditure (up to $875,000).

Geneva, 16 February 1995.

Point for decision: Paragraph 5.

Annex 5

Matters relating to the Administrative Tribunal of the ILO (GB.262/PFA/14)

INTERNATIONAL LABOUR OFFICE

Governing Body

GB.262/PFA/14
262nd Session

Geneva, March-April 1995

Programme, Financial and Administrative Committee

PFA

FOURTEENTH ITEM ON THE AGENDA

Matters relating to the Administrative Tribunal of the ILO

Composition of the Tribunal

1. Article III, paragraph 2 of the Statutes of the ILO Administrative Tribunal states: "The Judges shall be appointed for a period of three years by the Conference of the International Labour Organization". The Tribunal currently has the following composition:

Judges: Sir William Douglas (Barbados), President: term of office expires in June 1997;

Mr. Michel Gentot (France), Vice-President: term of office expires in November 1995;

Ms Mella Carroll (Ireland): term of office expires in June 1996;

Mr. Mark Fernando (Sri Lanka): term of office expires in June 1995;

Mr. Pierre Pescatore (Luxembourg): term of office expires in June 1995;

Mr. Edilbert Razafindralambo (Madagascar): term of office expires in June 1997.

2. The Committee will recall that, at the Governing Body's 261st Session (November 1994), the Director-General informed the Governing Body with regret of the death, in July 1994, of Mr. José Maria Ruda, whose term of office had been renewed until June 1997.

3. Mr. Pierre Pescatore (born in 1919) has expressed a wish to follow the practice established by his predecessors Mr. André Grisel, Mr. Jacques Ducoux and Tun Suffian and does not intend to seek a further renewal of his term of office, which will expire in June 1995.

4. ***The Committee will no doubt wish to recommend to the Governing Body, and through it, to the Conference, that they convey to Mr. Pescatore their profound appreciation of the services he has diligently and consistently rendered during the past nine years to the international community as a Judge on the Tribunal, and that they pay tribute in particular to the wealth of his contribution to the law governing the international civil service.***

5. In addition to the vacancy that has existed since July 1994, therefore, there is also the vacancy arising from the departure of Mr. Pescatore. In accordance with past practice, whereby appointments to the Tribunal are selected from among individuals who occupy or who have occupied senior judicial positions, the Director-General, after consulting the Officers of the Governing Body, proposes the following nominations:

— Mr. Julio Barberis (Argentina, born 1936) has served as President and as member of a number of arbitration tribunals, a consultant with various international organizations, Ambassador, and Director of the Centre for Studies and Research in International Law and International Relations of The Hague Academy of International Law. He is currently a Judge with the Inter-American Court of Human Rights, Professor at the Catholic University of Buenos Aires, an Associate Member of the Institute of International Law, and a member of the Permanent Court of Arbitration, the Hispano-Luso-American Institute of International Law, the International Council of Environmental Law, and the International Association for Water Law. He is also the author of a large number of works and articles on international law.

— M. Jean-François Egli (Switzerland, born 1928), after practising as a barrister in Neuchâtel (Switzerland), began a long career in the magistrature, serving at all cantonal and federal levels. He has served as Vice-President of the Chamber of Public and Administrative Law of the Swiss Federal Tribunal, and was eventually appointed President of the Federal Tribunal, in which post he now serves. He has also been a member of numerous cantonal and federal committees. He was Reporter to the Swiss Society of Jurists on the law of broadcasting.

6. In addition, as the terms of office of Mr. Mark Fernando and Mr. Michel Gentot are due to expire in June and November 1995 respectively, the Director-General proposes that their terms of office be renewed for a further period of three years.

7. For the sake of uniformity, it is also proposed that the month during which a term of office begins should in future be the same for all judges. Moreover, the month of July would be a more convenient expiring point than the month of June at which the terms of most of the present judges expire. This proposal has been taken into account in the draft resolution recommended below.

8. ***The Committee is accordingly invited to recommend to the Governing Body that it submit to the International Labour Conference, for adoption at its forthcoming session, the following resolution:***

The General Conference of the International Labour Organization,

In accordance with Article III of the Statute of the Administrative Tribunal of the International Labour Organization;

Decides to appoint as Judges of the Administrative Tribunal, for a period of three years, with effect from August 1995:

— ***Mr. Julio Barberis (Argentina);***

— ***Mr. Jean-François Egli (Switzerland).***

Decides to renew the terms of office of Mr. Mark Fernando (Sri Lanka) and Mr. Michel Gentot (France) as Judges from the expiration of their present terms until the end of July 1998.

Geneva, 24 March 1995.

Points for decision: Paragraph 4;
Paragraph 8.

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